

ADVICE FOR INVESTORS

INVESTORS ARE STRONGLY ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THIS PROSPECTUS, **ESPECIALLY THE RISK FACTORS GIVEN AT SECTION 5 AND SEEK PROFESSIONAL ADVICE**, BEFORE MAKING ANY INVESTMENT DECISION.

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.

INVESTMENT IN EQUITY SECURITIES INVOLVES A DEGREE OF RISK AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THIS OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR INVESTMENT. INVESTORS ARE ADVISED TO READ THE RISK FACTORS CAREFULLY BEFORE TAKING AN INVESTMENT DECISION IN THIS OFFERING. FOR TAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THE EXAMINATION OF THE ISSUER AND THE OFFER INCLUDING THE RISKS INVOLVED AS DISCLOSED AT SECTION 5 OF THE PROSPECTUS.

ADVICE FOR INSTITUTIONAL INVESTORS AND HIGH NET WORTH INDIVIDUAL INVESTORS

SUBMISSION OF CONSOLIDATED BID AND MULTIPLE BID IS NOT ALLOWED AS PER PUBLIC OFFERING REGULATIONS, 2017.

PLEASE NOTE THAT A SUPPLEMENT TO THE PROSPECTUS SHALL BE PUBLISHED WITHIN ONE WORKING DAY OF THE CLOSING OF THE BIDDING PERIOD WHICH SHALL CONTAIN INFORMATION RELATING TO THE STRIKE PRICE, THE ISSUE PRICE, COMMITMENT BY THE SUCCESSFUL BIDDERS FOR SUBSCRIBING THE UNDERSUBSCRIBED RETAIL PORTION IN CASE OF HUNDRED PERCENT BOOK BUILDING, CATEGORY WISE BREAKUP OF THE SUCCESSFUL BIDDERS ALONG WITH NUMBER OF SHARES ALLOCATED TO THEM, DATES OF PUBLIC SUBSCRIPTION AND SUCH OTHER INFORMATION AS SPECIFIED BY THE COMMISSION.



BF Biosciences Limited

PROSPECTUS FOR INITIAL PUBLIC OFFERING

Date and place of incorporation: 24th February 2006, Rawalpindi, **Incorporation number:** 0054065, **Registered Office:** 197-A, The Mall, Rawalpindi, **Contact No:** +92 (51) 4252155, **Corporate Office:** 5 KM Sunder Raiwind Road, Raiwind, Lahore, **Contact No:** +92 (42) 36026700, **Website:** <https://bfbio.com>, **Email:** info@bfbio.com, **Contact Persons:** Mrs. Akhter Khalid Waheed (Chief Executive Officer), **Phone:** +92 (42) 36026700, (Ext. 704) **Email:** akhter.waheed@bfbio.com; Mr. Muhammad Farhan Rafiq (Chief Operating Officer), **Phone:** +92 (42) 36026700 (Ext. 717), Mobile: 0304-4448034, **Email:** farhan.rafiq@bfbio.com and Mr. Abdur Rehman (Chief Financial Officer and Company Secretary), **Phone:** +92 (42) 36026700 (Ext. 715), **Email:** abdur.rehman@bfbio.com

Issue Size: The Issue consists of 25,000,000 Ordinary Shares (i.e. 28.30% of the total post-IPO paid up capital of BF Biosciences Limited) of face value of PKR 3.00/- each.

Method of Offering: 100% Book Building Method

Book Building Method and Floor Price: The entire Issue will be offered through Book Building Method at a Floor Price of PKR 55.00/- per share (including premium of PKR 52.00/- per share) with a maximum price band of up to 40%. Justification of premium is given under "Valuation", i.e. Section 4A). The Bidders shall be allowed to place Bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful Bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 18,750,000 shares and the remaining twenty-five percent (25%) i.e. 6,250,000 shares shall be offered to the retail investors through General Public portion.

Retail/General Public Portion: General Public portion of the Issue comprises of 6,250,000 ordinary shares (25% of the total issue) at the Strike Price. In case retail portion of the Issue remains unsubscribed, the unsubscribed shares will be allotted to the successful Bidders of book building on a pro rata basis.

Public Comments: Draft Prospectus was placed on PSX's website for seeking public comments starting from August 7th, 2024 to August 15th, 2024. Public comments received were duly responded back by the Consultant to the Issue.

REGISTRATION OF ELIGIBLE INVESTORS: The registration of eligible investors will commence at 9:00 am on September 23rd, 2024 and will close at 3:00 pm on September 26th, 2024

BIDDING PERIOD DATES: From September 25th, 2024 to September 26th, 2024, From: 9:00 am to 5:00 pm

DATE OF PUBLIC SUBSCRIPTION: From October 2nd, 2024 to October 3rd, 2024 (both days inclusive) From: 9:00 am to 5:00 pm

<u>Lead Manager & Book Runner</u> 	<u>Book Building Portion will be Credit Underwritten By</u>
--	--

Bankers to the Book Building Portion of the Issue:

Habib Bank Limited	Meezan Bank Limited
---------------------------	----------------------------

Bankers for the Retail Portion of the Issue:

Habib Bank Limited	Meezan Bank Limited
Faysal Bank Limited	Habib Metropolitan Bank Limited

For retail portion/general public portion, investors can submit application(s) through both electronic and physical mode. Electronic/online applications can be submitted through PSX's e-IPO system (PES) and CDC's Centralized E-IPO system (CES). PES and CES can be accessed via the web links <https://eipo.psx.com.pk>, and www.cdceipo.com. For details, please refer to Section 13.1.4 of the Prospectus.

Date of Publication of this Prospectus: September 19th, 2024

Prospectus, Bidding Form and Subscription Form can be downloaded from the following websites: <https://bfbio.com>, <http://www.psx.com.pk>, www.cdceipo.com and <http://www.arifhabibltd.com>

For Further Queries you may Contact

BF Biosciences Limited: Mr. Farhan Rafiq (Chief Operating Officer), Phone: +92 (42) 36026700 (Ext.: 717) Mobile: +92 304 4448034 | Email: farhan.rafiq@bfbio.com; Mr. Abdur Rehman (Chief Financial Officer and Company Secretary), Phone: +92 (42) 36026700 (Ext.: 715) | Email: abdur.rehman@bfbio.com; **Arif Habib Limited:** Raheel Ahmed (Associate – Investment Banking), Phone: +92 (21) 38280271 | Email: raheel.ahmed@arifhabibltd.com; Saif Ul Haq (Analyst – Investment Banking), Phone: +92 (21) 3828 0223 | Email: satif@arifhabibltd.com; Naveed Said (Analyst – Investment Banking), Phone: +92 (21) 38280224 | Email: naveed.said@arifhabibltd.com

The Company is proposed to be listed at the Pakistan Stock Exchange Limited

UNDERTAKING BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER

E-STAMP



ID : **PB-LHR-10D4144494867537**
 Type : **Low Denomination**
 Amount : **Rs 100/-**



Scan for online verification

Description : **CERTIFICATE OR OTHER DOCUMENT - 19**
 Applicant : **BF Biosciences Limited [00000-0000000-0]**
 Representative From : **BF Biosciences Limited**
 Agent : **Naveed Ahmad [35102-3342318-1]**
 Address : **5-km, Sundar Raiwind Road, Lahore, Pakistan**
 Issue Date : **22-Jul-2024 10:14:13 AM**
 Delisted On/Validity : **29-Jul-2024**
 Amount in Words : **One Hundred Rupees Only**
 Reason : **Undertaking**
 Vendor Information : **Najam ul hassan | PB-LHR-967 | Raiwind**



نوٹ یہ فراہم کنندگان تاریخ اجرا سے سات دنوں تک کے لیے قابل استعمال ہے۔ اس اسٹامپ کی تصدیق بلڈیوے ویب سائٹ، کیوار کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔
 Type "eStamp <16 digit eStamp Number>" send to 8100

Dated: 24 July 2024

UNDERTAKING

WE, AKHTER KHALID WAHEED, THE CHIEF EXECUTIVE OFFICER AND ABDUR REHMAN, THE CHIEF FINANCIAL OFFICER OF BF BIOSCIENCES LIMITED CERTIFY THAT:

1. THE PROSPECTUS CONTAINS ALL INFORMATION WITH REGARD TO THE ISSUER AND THE ISSUE, WHICH IS MATERIAL IN THE CONTEXT OF THE ISSUE AND NOTHING HAS BEEN CONCEALED IN THIS RESPECT;
2. THE INFORMATION CONTAINED IN THE PROSPECTUS IS TRUE AND CORRECT TO THE BEST OF OUR KNOWLEDGE AND BELIEF;
3. THE OPINIONS AND INTENTIONS EXPRESSED THEREIN ARE HONESTLY HELD;
4. THERE ARE NO OTHER FACTS, THE OMISSION OF WHICH MAKES THIS PROSPECTUS AS A WHOLE OR ANY PART THEREOF MISLEADING; AND
5. ALL REQUIREMENTS OF THE SECURITIES ACT, 2015; THE DISCLOSURES IN PUBLIC OFFERING REGULATIONS, 2017 FOR PREPARATION OF PROSPECTUS, RELATING TO APPROVAL AND DISCLOSURES HAVE BEEN FULFILLED
6. NO CHARGES, FEE, EXPENSES, PAYMENTS ETC. HAVE BEEN COMMITTED TO BE PAID TO ANY PERSON IN RELATION TO THIS PUBLIC OFFERING EXCEPT FOR THOSE AS DISCLOSED IN THE PROSPECTUS.

FOR AND BEHALF OF BF BIOSCIENCES LIMITED

A. K. Waheed
AKHTER KHALID WAHEED
 CHIEF EXECUTIVE OFFICER



Abdur Rehman
ABDUR REHMAN
 CFO & COMPANY SECRETARY



Note: This Supplement shall be published within 1 working day of the close of Bidding Period in at least all those newspapers in which the Prospectus of BF Biosciences Limited is published.

SUPPLEMENT TO THE PROSPECTUS

This Supplement is being published pursuant to The Public Offering Regulations, 2017 and in continuation of the Prospectus of BF Biosciences Limited earlier published on September 19th, 2024

BF Biosciences Limited

- FLOOR PRICE: PKR 55.00/- PER SHARE
- STRIKE PRICE: PKR [.] /- PER SHARE
- ISSUE PRICE: PKR [.] /- PER SHARE
- PRICE BAND (MAXIMUM 40%): PKR 77.00/- PER SHARE

Category Wise Breakup of Successful Bidders

S. No	Category	No. of Bidders	No. of Shares Provisionally Allocated
1	Commercial Banks	•	•
2	Development Financial Institutions	•	•
3	Mutual Funds	•	•
4	Insurance Companies	•	•
5	Investment Banks	•	•
6	Employees' Provident / Pension Funds	•	•
7	Leasing Companies	•	•
8	Modarabas	•	•
9	Securities Brokers	•	•
10	Foreign Institutional Investors	•	•
11	Any other Institutional Investors	•	•
	Total Institutional Investors	•	•
	Individual Investors:	•	•
12	Foreign Investors	•	•
13	Local	•	•
	Total Individual Investors	•	•
	GRAND TOTAL		

Glossary of Technical Terms

ACT	Securities Act, 2015
AHL	Arif Habib Limited
API	Active Pharmaceutical Ingredient
BFBL	BF Biosciences Limited
Bn	Billion
BST	Baluchistan Sales Tax
BVPS	Book Value Per Share
CAGR	Compound Annualized Growth Rate
CAPEX	Capital Expenditure
CDC / CDCPL	Central Depository Company of Pakistan Limited
CDS	Central Depository System
CES	Centralized e-IPO System
cGMP	Current Good Manufacturing Practices
Commission/SECP	The Securities and Exchange Commission of Pakistan
Companies Act	Companies Act, 2017
CPI	Consumer Price Index
CY	Calendar Year
DNA	Deoxyribonucleic Acid
DRAP	Drug Regulatory Authority of Pakistan
DRB	Drug Registration Board
DVT	Deep Vein Thrombosis
EBITDA	Earnings before Interest, Tax, Depreciation and Amortization
EMA	European Medicines Agency
EPS	Earnings Per Share
FDA	Food and Drug Administration
FLL	Ferozsons Laboratories Limited
FY	Financial Year
JV	Joint Venture
GDP	Gross Domestic Product
HCV	Hepatitis C Virus
IDA	Iron Deficiency Anemia
IPO	Initial Public Offering
ISO	International Organization for Standardization
KST	Khyber Pakhtunkhwa Sales Tax
LC	Letter of Credit
LESCO	Lahore Electric Supply Company

LG	Letter of Guarantee
MEA	Middle East and Africa
ML	Milliliter
Mn	Million
MNC	Multinational Corporation
MRP	Maximum Retail Price
MVPS	Market Value Per Share
MW	Mega Watt
NCEs	New Chemical Entities
NHSR&C	National Health Services, Regulation & Coordination
NICOP	National Identity Card for Overseas Pakistani
NOC	No Objection Certificates
NPH	Neutral Protamine Hagedorn
P.A.	Per Annum
PES	PSX's e-IPO System
PESA	Pakistan Exporters Service Award
PFS	Pre-Filled Syringes
PIC/S	Pharmaceutical Inspection Co-operation Scheme
PKR or Rs.	Pakistan Rupee(s)
PPE	Property, Plant and Equipment
PST	Punjab Sales Tax
PSX / Exchange	Pakistan Stock Exchange Limited
R&D	Research and Development
rDNA	Recombinant DNA
SBP	State Bank of Pakistan
SLA	Straight-line amortization
SRA	Stringent Regulatory Authority
SST	Sindh Sales Tax
SVS	Spanish Validation Company
TERF	Temporary Economic Refinance Facility
TTM	Trailing Twelve Months
UIN	Unique Identification Number
USD	United States Dollar
USFDA	United States Food and Drug Administration
UV	Ultraviolet
WHO	World Health Organization

DEFINITIONS

Application Money	In case of bidding for shares out of the Book Building portion, the total amount of money payable by a successful Bidder which is equivalent to the product of the Bid Price and the number of shares to be allotted.
Banker to the Book Building	<p>Any bank(s) with whom an account is opened and maintained by the Issuer for keeping the bid amount/bid money.</p> <p>Habib Bank Limited and Meezan Bank Limited have been appointed, in this IPO, as the Bankers to the Book Building.</p>
Biphasic Insulin	Biphasic insulin formulation, Ferulin 70/30, combines fast-acting and intermediate-acting components to manage both immediate and extended blood sugar control in diabetic patients.
Bid	An indication to make an offer during the Bidding Period by a Bidder to subscribe to the Ordinary Shares of BF Biosciences Limited at a price at or above the floor price, including upward revisions thereto. An Eligible Investor shall not make a bid with price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 40% of the Floor Price. Please refer to Section 12.1.2 for details.
Bid Amount	The amount equal to the product of the number of shares Bid for and the Bid price.
Bid Collection Center	Designated offices of the Book Runner and specified branches of any of the Scheduled Bank where bids are received and processed. For this Issue, addresses of the Bid Collection Centers are provided in Section 12.1.6 of this Prospectus .
Bid Price	The price at which bid is made for a specified number of shares.
Bid Revision	<p>The Eligible Investors can revise their bids upward subject to the provision of regulation 10(2)(iii) of the PO Regulations. The bids can be revised with a price variation of not more than 10% from the prevailing indicative Strike Price in compliance with Regulation 10(2)(iii) of the PO Regulations.</p> <p>As per regulation 10(2)(vi) of the PO Regulations, the bidder shall not make downward revision both in terms of Bid Price and Bid Volume; Provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.</p> <p>As per regulation 10(2)(vii) of the PO Regulations, the bidder shall not withdraw their bids.</p>
Bidder	An Eligible Investor who makes bids for shares in the Book Building process.

Bidding Form	The form prepared by the Issuer for the purpose of making bids.
Bidding Period	<p>The period during which bids for subscription of shares are received.</p> <p>The Bidding Period shall be of two days, from September 25th, 2024 to September 26th, 2024 both days inclusive (daily from 9:00 a.m. to 5:00 p.m.).</p>
Biological Drug	Biological drug is any pharmaceutical drug product manufactured in, extracted from, or semi synthesized from biological sources.
Book Building	A process undertaken to elicit demand for shares offered through which bids are collected from the Bidders and a book is built which depicts demand for the shares at different price levels.
Book Building Account	An account opened by the Issuer with the Banker to the Book Building.
Book Building Portion	The part of the total Issue allocated for subscription through the Book Building.
Book Building System	An online electronic system operated by the Designated Institution for conducting Book Building.
Book Runner	<p>A securities broker or a scheduled bank who holds a valid license from the Commission to act as an Underwriter and has been appointed as Book Runner by the Issuer.</p> <p>Arif Habib Limited has been appointed as Book Runner for this Issue.</p>
Cardiology	Cardiology is the branch of medicine that deals with the diagnosis and treatment of heart diseases and disorders, including coronary artery disease, heart failure, arrhythmias, and congenital heart defects.
Collection Banks for General Public/retail portion	<p>Mentioned below are the Collection Banks for the General Public/retail portion. Account details for Collection banks are mentioned in section 13.1.7 of the Prospectus:</p> <p style="text-align: center;"> Habib Bank Limited <hr/> Meezan Bank Limited <hr/> Faysal Bank Limited <hr/> Habib Metropolitan Bank Limited </p>
Combi Filling Line	Combi filling line is a type of production line used in the pharmaceutical, cosmetic, and food industries for filling and packaging products.
Company	BF Biosciences Limited (the “ Company ” or “ BFBL ” or the “ Issuer ”)
Company’s Legal Advisor	Khan & Piracha

Commission	Securities & Exchange Commission of Pakistan (“SECP”).
Consolidated Bids	A bid which is fully or partially beneficially owned by persons other than the one named therein.
Depyrogenation	Depyrogenation is the process of removing pyrogens, which are substances that can cause fever when introduced into the body, from pharmaceutical products or equipment.
Dermatology	Dermatology is the medical specialty focused on diagnosing, treating, and preventing disorders of the skin, hair, nails, and mucous membranes.
Designated Institution	Pakistan Stock Exchange Limited (“PSX”) is acting as the Designated Institution for this Issue and its Book Building System will be used for price discovery.
Diabetes	Diabetes is a metabolic disorder characterized by high blood sugar levels over a prolonged period. It occurs when the pancreas does not produce enough insulin or when the body cannot effectively use the insulin it produces. Diabetes management typically involves lifestyle modifications, medication, and insulin therapy to control blood sugar levels.
Dutch Auction Method	The method through which Strike Price is determined by arranging all the Bid Prices in descending order along with the number of shares and the cumulative number of shares bid for at each Bid Price. The Strike Price is determined by lowering the price to the extent that the total number of shares Issued under the Book Building Portion are subscribed.
e-IPO Facility	<p>E-IPO refers to the electronic subscription of applications for subscription of securities offered in retail portion of an IPO. The following systems are available for e-IPO:</p> <p>(i) PSX’s e-IPO System (PES): To facilitate investors, the Pakistan Stock Exchange Limited (“PSX”) has developed an e-IPO System (“PES”) through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. PES has been made available in this Issue and can be accessed through the web link (https://eipo.psx.com.pk). Payment of subscription money can be made through 1LINK’s and NIFT’s member banks available for PES.</p> <p>For making application through PES, investors must be registered with PES. The PES registration form is available 24/7, all throughout the year. Registration is free of cost and can be done by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or • the Bank with whom the investor has a bank account. <p>Similarly, an e-IPO application can be filed by:</p> <ul style="list-style-type: none"> • the investor himself, or • the TREC Holder with whom the investor has a sub-account, or

- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad, Deputy General Manager - IT Division at phone number: 111-001-122 or (021)-35274401-10, or email: itss@psx.com.pk.

Investors who are registered with PES can submit their applications through the web link, <https://eipo.psx.com.pk>, 24 hours a day during the subscription period which will close at midnight on October 3rd, 2024.

(ii) Centralized e-IPO System (CES): To facilitate investors, the Central Depository Company of Pakistan (“CDC”) has developed a Centralized e-IPO System (“CES”) through which applications for subscription of securities offered to the General Public/retail portion can be made electronically. CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK’s member banks available for CES.

For making application through CES, investors must be registered with CES. Registration with CES is free of cost and can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific Company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants can electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings (IPOs) and can also make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. The securities will be credited directly in Investors’ subaccount. In case the sub-account of the investor has been blocked or closed, after the subscription, then securities shall be parked into the CDC’s IPO Facilitation Account and investor can contact CDC for credit of shares in its respective account

Investors who do not have CDS account may visit www.cdcpakistan.com for information and details.

For further guidance and queries regarding CES and opening of CDS account, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Farooq Ahmed Butt, Senior Manager – Operations, at Phone 021-34326030 and email: farooq_butt@cdcpak.com.

Investors who are registered with CES can submit their applications through the web link www.cdceipo.com 24 hours a day during the subscription period which will close at midnight on October 3rd, 2024.

IPO Facilitation Account (IFA):

Investors not having investor account or sub account can subscribe IPO application by opting for the IPO facilitation account. IPO Facilitation Account is an account to be maintained by CDC separately for each IPO wherein securities of such successful applicants who do not have CDS

Eligible Investor	Accounts at the time of making subscription application, shall be parked for a certain period of time. Subsequent to parking, all the successful applicants shall be intimated via email to open an Investor Account with CDC or Sub-Account with any of the CDS Participants (i.e. licensed securities brokers or commercial banks). Upon opening of CDS Account, successful applicants shall approach CDC Investor Account Services and securities of such successful applicants shall be moved from the IFA to their respective CDS Accounts.
Enoxaparin Sodium	An Individual or Institutional Investor whose Bid Amount is not less than the minimum bid size of PKR 1,000,000 (One Million Rupees only).
Erythropoietin	Enoxaparin sodium is a type of low molecular weight heparin that is used as an anticoagulant (blood thinner) medication.
Esophageal Varices	Erythropoietin is a hormone primarily produced by the kidneys in response to low oxygen levels in the blood. Its main function is to stimulate the production of red blood cells (erythropoiesis) in the bone marrow.
Excipients	Esophageal varices are enlarged veins in the esophagus, often caused by liver cirrhosis, prone to dangerous bleeding.
Fill-finish	An inactive substance that serves as the medium for a drug or other active substance.
Floor Price	Fill-finish is a process whereby the ready to fill Active Pharmaceutical Ingredient / Drug Substance is imported and locally filled under controlled environment without involvement of local manufacturing process.
Gastroenterology	The minimum price per share set by the Issuer in consultation with Lead Manager/Consultant to the Issue. For this Issue, Floor Price is PKR 55.00/- per share.
GDP	Gastroenterology is the medical specialty focused on the diagnosis and treatment of disorders affecting the digestive system, including the esophagus, stomach, intestines, liver, gallbladder, and pancreas.
General Public	Gross domestic product (GDP) is the total monetary or market value of all the finished goods and services produced within a country's borders in a specific time period.
GLP-1 (Glucagon-like Peptide)	All Individual and Institutional Investors including both Pakistani (residents & non-residents) and foreign investors.
Gowning	Glucagon-like peptide 1, a hormone that stimulates insulin release in response to meals.
	Gowning involves wearing specialized clothing to maintain cleanliness and prevent contamination in pharmaceutical facilities.

H14 Ventilated System	In cleanroom environments, such as pharmaceutical facilities, maintaining air cleanliness is critical to prevent contamination of products being manufactured. The H14 ventilated system ensures that air entering the cleanroom is filtered to the highest standards, meeting the stringent cleanliness requirements set by regulatory agencies like the FDA (Food and Drug Administration).
Heparin	Heparin is a naturally occurring anticoagulant (blood thinner) that is commonly used to prevent and treat blood clots.
Hepatology	Hepatology is the medical specialty focused on the diagnosis and treatment of liver diseases and disorders, including viral hepatitis, metabolic dysfunction associated fatty liver disease (MAFLD), alcoholic liver disease, fatty liver disease, and liver cancer.
High-speed Combi Line	High-speed Combi Line represents injections manufacturing plant, capable of producing injections in high volume with minimum time in both vials and ampoules forms.
Initial Public Offer (IPO)	Initial Public Offering or IPO means first time offer of securities to the general public.
Institutional Investors	<p>Any of the following entities:</p> <ul style="list-style-type: none"> ▪ A financial institution; ▪ A company as defined in the Companies Act, 2017; ▪ An insurance company established under the Insurance Ordinance, 2000; ▪ A securities broker; ▪ A fund established as Collective Investment Scheme under the Non-Banking Finance Companies and Notified Entities Regulations, 2008; ▪ A fund established as Voluntary Pension Scheme under the Voluntary Pension System Rules, 2005; ▪ A private fund established under Private Fund Regulations, 2015; ▪ Any employee's fund established for the benefit of employees; ▪ Any other fund established under any special enactment; ▪ A foreign company or any other foreign legal person; and ▪ Any other entity as specified by the Commission.
IQVIA	IQVIA is a leading multinational company engaged in providing advanced analytical data services to the pharmaceutical and life sciences industries. These services are available exclusively to members who have gained access by paying subscription fee.
Issue	The Issue comprises of 25,000,000 Ordinary Shares representing 28.30% of total post-IPO paid-up capital having a Face Value of PKR 3/- each.
Issue Price	The price at which Ordinary Shares of the Company are issued to the General Public/retail portion. The Issue Price will be the Strike Price.
Issuer	BF Biosciences Limited (the "Company" or "BFBL")

Karandaaz	Karandaaz Pakistan is a not-for-profit company promoting access to finance for SME and is one of the primary lenders for brown field expansion.
Key Employees	Chief Executive Officer, Directors, Chief Operating Officer, Chief Financial Officer and Company Secretary of the Company.
Lead Manager	Any person licensed by the Commission to act as Consultant to the Issue. Arif Habib Limited has been appointed as Lead Manager/Consultant to the Issue by the Issuer.
Limit Bid	The bid at a Limit Price.
Limit Price	The maximum price (up to 40% of the Floor Price) a prospective Bidder is willing to pay for a share under Book Building.
Listing Regulations	Chapter 5 of the Rule Book of the Pakistan Stock Exchange Limited, titled 'Listing of Companies and Securities Regulation'. The aforementioned regulations can be found at the following link; https://www.psx.com.pk/psx/themes/psx/uploads/PSX-Rulebook-June-12-2024-v3.pdf
Lyophilizer / Lyophilized Products	Lyophilizer is an equipment used in pharmaceutical and biotechnology industries to remove moisture from substances through the process of freeze-drying. The medicine produced through Lyophilizer are called 'Lyophilized' Products.
Margin Money	The partial or total amount, as the case may be, paid by a bidder at the time of registration as an Eligible Investor. The Book Runner shall collect full amount of the bid money as Margin Money in respect of bids placed by an individual investor and not less than twenty five percent (25%) of the bid money as Margin Money in respect of bids placed by an institutional investor. Book Runner can waive the margin money for Institutional Investors at its own discretion.
Minimum Bid Size	The Bid amount equal to One Million Rupees (PKR 1,000,000/-).
Nephrology	Nephrology is the medical specialty focused on the diagnosis and treatment of kidney-related conditions, including kidney diseases, kidney failure, and disorders of fluid and electrolyte balance.
Non-Biological Drugs	Non-biological drugs are drugs that are not produced through living organisms, but through a fully synthetic process.

NPH Insulin	NPH insulin, such as Ferulin N, provides a steady release of insulin over an extended period, helping to maintain stable blood sugar levels between meals and overnight in individuals with diabetes.
Oncology	Oncology is the branch of medicine that deals with the diagnosis, treatment, and prevention of cancer. Oncologists specialize in the management of various types of cancer, including solid tumors and hematologic malignancies.
Ordinary Shares	Ordinary Shares of BFBL having face value of PKR 3/- each.
Parenterals	Parenterals are sterile pharmaceutical products administered via routes other than the digestive tract, ensure precise and rapid medication delivery, typically through injections or infusions.
Pre-filled Syringe	A pre-filled syringe is a disposable syringe that is supplied with already filled substance to be injected.
PO Regulations	The Public Offering Regulations, 2017 https://www.secp.gov.pk/document/public-offering-regulations-2017-updated-september-15-2021/?wpdmdl=43440&refresh=63ce67a067fd21674471328
Price Band	Floor Price with an upper limit of 40% above the Floor Price, i.e. PKR 55.00/- and PKR 77.00/-, allowing Bidder to make Bid at Floor Price or within the Price Band.
Prospectus	Prospectus means any document described or issued as a prospectus and includes any document, notice, circular, material, advertisement, and offer for sale document, publication or other invitation offering to the public (or any section of the public) or inviting offers from the public for the subscription or purchase of any securities of a Company or body corporate or entity.
Receptor Agonist	A receptor agonist is a substance that binds to and activates a specific receptor on cells in the body. This binding and activation trigger a biological response that is typically similar to the response caused by the natural ligand (substance that normally binds to the receptor).
Registration Form	The form which is to be submitted by the Eligible Investors for registration to participate in the Book Building process.
Registration Period	The period during which registration of bidders is carried out. The registration period shall commence two days before the start of the Bidding Period and shall remain open till 3:00 pm on the last day of the Bidding Period.
Related Employees	Related Employees mean such employees of the Issuer, the Book Runner and the Consultants to the Issue, who are involved in the Issue. Please refer to Section 3A (vi) for further details.

Remdesivir	Remdesivir is an antiviral medication used for the treatment of corona virus.
Special Hatches	Special hatches are equipped with advanced features to maintain stringent cleanliness standards, as outlined by FDA guidelines. These hatches serve as entry points into the clean rooms, facilitating controlled access while minimizing the risk of contamination.
Sponsor	<p>A person who has contributed initial capital in the issuing company or has the right to appoint majority of the directors on the board of the issuing company directly or indirectly;</p> <p>A person who replaces the person referred to above; and</p> <p>A person or group of persons who has control of the issuing company whether directly or indirectly.</p>
Step Bid	Step Bid means a series of limit bids at increasing prices. In case of a step bid the amount of each step will not be less than Rupees One Million (PKR 1,000,000/-).
Strike Price	The price per ordinary share of the Issue determined / discovered on the basis of Book Building process in the manner provided in the Public Offering Regulations 2017, at which the shares are Issued to the successful bidders.
Supplement to the Prospectus	The Supplement to the Prospectus shall be published within One (1) working day of the closing of the Bidding Period at least in all those newspapers in which the Prospectus was earlier published and disseminated through the Securities Exchange where shares are to be listed.
System	An online electronic system operated by the Designated Institution for conducting Book Building.
Telstar	Telstar, is a foreign company incorporated in Spain, which specializes in Good Manufacturing Practices (GMP) consultancy, engineering & construction of pharma projects, and integrated process equipment. Telstar provides optimal solutions to companies associated with Life & Health Sciences (pharmaceutical & biotechnology, healthcare, cosmetic, veterinary, and food & beverage industries), as well as hospitals, laboratories & research centres.
Terlipressin	Terlipressin is a synthetic analogue of vasopressin used to treat conditions like bleeding esophageal varices by constricting blood vessels and reducing bleeding.
Vial	Vial is a small, cylindrical glass or plastic container typically used to store liquid medications, vaccines, or other pharmaceutical substances.

Voriconazole

Voriconazole is an antifungal medication used to treat serious fungal infections.

Interpretation:

ANY CAPITALIZED TERM CONTAINED IN THIS PROSPECTUS, WHICH IS IDENTICAL TO A CAPITALIZED TERM DEFINED HEREIN, SHALL, UNLESS THE CONTEXT EXPRESSLY INDICATES OR REQUIRES OTHERWISE AND TO THE EXTENT AS MAY BE APPLICABLE GIVEN THE CONTEXT, HAVE THE SAME MEANING AS THE CAPITALIZED / DEFINED TERM PROVIDED HEREIN.

I. Table of Contents

1. APPROVALS AND LISTING ON THE STOCK EXCHANGE	16
2. SUMMARY OF THE PROSPECTUS	18
3. OVERVIEW, HISTORY AND PROSPECTS	27
4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS	71
4A VALUATION SECTION	78
5. RISK FACTORS	84
6. FINANCIAL INFORMATION	94
7. BOARD AND MANAGEMENT OF THE COMPANY	121
8. LEGAL PROCEEDINGS AND OVERDUE LOANS.....	128
9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES	130
10. MISCELLANEOUS INFORMATION.....	132
11. MATERIAL CONTRACTS	136
12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING	140
13. APPLICATION AND ALLOTMENT INSTRUCTIONS FOR RETAIL PORTION	156
14. SIGNATORIES TO THE PROSPECTUS.....	165
15. MEMORANDUM OF ASSOCIATION.....	166
16. REGISTRATION FORM.....	195
17. BIDDING FORM	196
18. GENERAL SUBSCRIPTION FORM	198

1. APPROVALS AND LISTING ON THE STOCK EXCHANGE

1.1 Approval of the Securities and Exchange Commission of Pakistan

Approval of the Securities & Exchange Commission of Pakistan (the "**Commission**" or the "**SECP**") under Section 87(2) of the Securities Act, 2015 read with Section 88(1) thereof, has been obtained by BF Biosciences Limited ("**BFBL**" or the "**Company**") for the issue, circulation and publication of this offering document (hereinafter referred to as the "**Prospectus**") vide their letter No. SMD/PO/SA.88/13/2024-251 dated September 6th, 2024.

DISCLAIMER:

IT MUST BE DISTINCTLY UNDERSTOOD THAT IN GIVING THIS APPROVAL, SECP DOES NOT TAKE ANY RESPONSIBILITY FOR THE FINANCIAL SOUNDNESS OF THE COMPANY AND ANY OF ITS SCHEMES STATED HEREIN OR FOR THE CORRECTNESS OF ANY OF THE STATEMENTS MADE OR OPINIONS EXPRESSED WITH REGARD TO THEM BY THE COMPANY IN THIS PROSPECTUS.

SECP HAS NOT EVALUATED QUALITY OF THE ISSUE AND ITS APPROVAL FOR ISSUE, CIRCULATION AND PUBLICATION OF THE PROSPECTUS SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT DUE DILIGENCE AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

1.2. Approval of the Prospectus by PSX

The Prospectus of the Company has been approved by PSX vide letter No. PSX/ GEN-1218 dated September 3rd, 2024, in accordance with the requirements of the Listing Regulations.

DISCLAIMER:

PSX HAS NOT EVALUATED THE QUALITY OF THE ISSUE AND ITS APPROVAL SHOULD NOT BE CONSTRUED AS ANY COMMITMENT OF THE SAME. THE PUBLIC / INVESTORS SHOULD CONDUCT THEIR OWN INDEPENDENT INVESTIGATION AND ANALYSIS REGARDING THE QUALITY OF THE ISSUE BEFORE SUBSCRIBING.

THE PUBLICATION OF THIS DOCUMENT DOES NOT REPRESENT SOLICITATION BY PSX.

THE CONTENTS OF THIS DOCUMENT DOES NOT CONSTITUTE AN INVITATION TO INVEST IN SHARES OR SUBSCRIBE FOR ANY SECURITIES OR OTHER FINANCIAL INSTRUMENT BY PSX, NOR SHOULD IT OR ANY PART OF IT FORM THE BASIS OF, OR BE RELIED UPON IN ANY CONNECTION WITH ANY CONTRACT OR COMMITMENT WHATSOEVER OF PSX.

IT IS CLARIFIED THAT INFORMATION IN THIS PROSPECTUS SHOULD NOT BE CONSTRUED AS ADVICE ON ANY PARTICULAR MATTER BY PSX AND MUST NOT BE TREATED AS A SUBSTITUTE FOR SPECIFIC ADVICE.

PSX DISCLAIMS ANY LIABILITY WHATSOEVER FOR ANY LOSS HOWEVER ARISING FROM OR IN RELIANCE UPON THIS DOCUMENT TO ANYONE, ARISING FROM ANY REASON, INCLUDING, BUT NOT LIMITED TO, INACCURACIES, INCOMPLETENESS AND / OR MISTAKES, FOR DECISIONS AND /OR ACTIONS TAKEN, BASED ON THIS DOCUMENT.

PSX NEITHER TAKES RESPONSIBILITY FOR THE CORRECTNESS OF CONTENTS OF THIS DOCUMENT NOR THE ABILITY OF THE COMPANY TO FULFILL ITS OBLIGATIONS THEREUNDER.

ADVICE FROM A SUITABLY QUALIFIED PROFESSIONAL SHOULD ALWAYS BE SOUGHT BY INVESTORS IN RELATION TO ANY PARTICULAR INVESTMENT.

1.3. Filing of Prospectus and other Documents with the Registrar of Companies

BF Biosciences Limited has filed with the Registrar of Companies as required under Section 57 (1) of the Act, a copy of this Prospectus signed by all the Directors of the Company.

1.4. Listing on PSX

Application has been made to PSX for permission to deal in and for quotation of the shares of the Company.

If for any reason the application for formal listing is not accepted by PSX or approval for formal listing is not granted by PSX before the expiration of twenty-one days from the date of closing of the subscription period / list or such longer period not exceeding forty-two days as may, within the said twenty-one days, be notified to the applicants for permission by the PSX, the Issuer undertakes that a notice to that effect will immediately be published in the press and will refund Application Money to the applicants without surcharge as required under the provisions of Section 69 of the Companies Act.

If any such money is not repaid within eight (08) days after the Company becomes liable to repay it, the Directors of the Company shall be jointly and severally liable to repay that money from the expiration of the eighth day together with surcharge at the rate of two percent (2.0%) for every month or part thereof from the expiration of the eighth day and, in addition, shall be liable to a penalty of level 3 on the standard scale of up to PKR 100 Mn and per day penalty of Rs. 500,000 during which the default continues, as defined in Section 479 of the Companies Act, 2017 in accordance with the provisions of sub-section (2) of Section 69 of the Companies Act.

As required under sub-section (3) of Section 69 of the Companies Act, the Application Money including the Bid Money, in case of Book Building, shall be deposited and kept in a separate bank account in a scheduled bank as long as the Company may become liable to repay it under sub-section (2) of Section 69 of the Companies Act; and, if default is made in complying with the said sub-section (3), the Company and every officer of the Company who authorizes or permits the default shall be liable to a penalty of level 2 on the standard scale.

2. SUMMARY OF THE PROSPECTUS

2.1. PRIMARY BUSINESS OF BF BIOSCIENCES LIMITED

BF Biosciences Limited ("**BFBL**", "**Company**", or the "**Issuer**") was incorporated as an unlisted public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017) in 2006, and operates within the pharmaceutical industry. BFBL is a 80%:20% joint venture between Ferozsons Laboratories Limited and the Bagó Group of Argentina. The Company's core operations involve the import, manufacturing, marketing and distribution of pharmaceutical products. Being pioneer in the biotech manufacturing, both in liquid and lyophilized forms, BFBL has attained the confidence of healthcare practitioners through its decade long operating history. Accordingly, BFBL distinguishes itself by producing life-saving medications relating to various therapeutic areas that are accessible to all.

BF Biosciences Limited has led Pakistan's emergence in the field of biotech manufacturing. BF Biosciences Limited has propelled Pakistan into the exclusive league of exporters of biotech pharmaceuticals specifically during Covid 19. The Company has a manufacturing facility located at 5 KM - Sunder Raiwind Road, Lahore, featuring a state-of-the-art biotech plant designed and executed by Telstar technologies, Spain. The facility is Operational since 2009, and is dedicated to producing biological medicines for Cancer, Chronic Kidney Disease (CKD) and Hepatitis C, serving both local and international markets. Currently, in this manufacturing facility the company has two manufacturing lines named "Line I" and "Line II".

Line I was installed in 2009 with the strategic intent to locally produce biological products, particularly those related to hepatology, which were previously imported at a high cost to patients. The focus was on capturing a high-margin, low-volume product market niche. Consequently, Line I was designed to produce low-volume biological products while also having the flexibility to produce non-biological products in small batches. Line I can formulate products in vials (both liquid and lyophilized dosage forms), as well as pre-filled syringes.

In 2020, envisioning the growing market potential and patient needs for both biological and non-biological products, the management decided to increase production capabilities by installing a second production line (i.e. Line II). Line II includes a high-speed Combi line from Syntegon Technology Limited, Germany a large volume Lyophilizer from Telstar and a high-speed pre-filled Syringes line from Syntegon. The installation of said line has been completed in the July 2024. This new line was designed to continue the production of biological products but also expand the production of non-biological products and fill-finish vaccines. Line II has additional production capabilities and is able to produce formulations in vials (liquid and lyophilized), ampoules and pre-filled syringes. Post completion of this strategic brown field expansion, the company is now well-positioned to serve both biological and non-biological segments effectively.

The BF Biosciences manufacturing facility is a pioneer in the Biotechnology sector in Pakistan:

- The manufacturing facility was designed and installed by leading European Pharmaceutical Designers Telstar in year 2009 to comply fully with EMEA and US FDA standards. Telstar has previously completed several US FDA approved facilities in Europe and the United States.
- BFBL is a pioneering endeavor, establishing the country's first biotech pharmaceutical facility designed in line with EU and US FDA standards.
- The manufacturing facility is designed to ensure complete segregation between different products under formulation, whether biologicals or other parenterals. All contact parts are completely changeable and dedicated when shifting from one product to another. The facility is also designed to ensure biological/bio-hazard containment.
- Specialized Gowning for clean areas and segregated gowning for support areas. Personnel involved in the product filling area go through three change rooms and undertake three different stages of clothing to maintain sterility and prevent contamination. Special Hatches developed for the clean rooms which

not only have UV lights but also H14 ventilated systems to ensure proper cleanliness as per FDA guidelines.

Pre and Post Expansion Capacity of Plant:

Currently Line I is operating at maximum installed capacity, while Line II is projected to run at approximately 40% capacity during its first year of operation. The details of capacity of the plants are outlined below:

Fill Size	Line I Capacity* (Units)	Current Capacity Utilization	Line II Capacity * (Units)	Expected Capacity Utilization	Total Capacity * (Line I & Line II) (Units)	Total Capacity Utilization
Liquid Filling Line - Daily Capacity:						
2 ML	45,000	100%	192,000	40%	237,000	51%
30 ML	4,500	100%	50,000	40%	54,500	45%
Lyophilizer Line - Daily Capacity						
2 ML	17,000	100%	200,000	40%	217,000	45%
30 ML	4,500	100%	50,000	40%	54,500	45%
Pre-filled Syringes - Daily Capacity						
0.5 ML	15,000	100%	50,000	40%	65,000	54%

* The capacities are based on standard vial sizes, however, based on the manufacturing process, these may vary from product to product.

During COVID-19, the Company was one of the leading pharmaceutical exporters from the country. BFBL exported medicines to certain PIC/S regulated countries including Indonesia, Belarus, Ukraine etc. In second quarter of FY 2025 and after the commencement of Line II operations, the company is targeting PIC/S certification after which it will be aggressively exploring export markets. BFBL is actively pursuing new registrations and plans to initiate exports to non-PIC/S countries (i.e. the countries where PIC/S certification is not required for exporting goods). The company is targeting Central American countries, where regulatory requirements are less stringent and where our JV partner, Bagó has strong equity. Additionally, the parent company (FLL) already has a presence in Far Eastern and Central Asian countries. These markets will be our primary focus in the short to medium term. As a first step, the manufacturing facility has been audited by regulatory agencies of Uganda, Kenya, Ghana and Yemen and we are working on the local distributors in these countries to finalize the business plans. Further, the Company has also received a tentative forecast from distributor in Afghanistan where sales of first product (Noxane range) is expected to start in third quarter of FY 2025. The management is confident in its ability to enter these markets on the basis of their prior presence and economies of scale of the expanded facility.

For further details, please refer to Section 3.

2.2. SPONSORS OF BF BIOSCIENCES LIMITED

The following are the Sponsors of the Company:

1. M/s Ferozsans Laboratories Limited - 80% Shareholding
2. M/s Grupo Empresarial Bagó S.A - 20% Shareholding

For details, please visit website of the sponsors as follows:

Ferozsans: <https://ferozsons-labs.com>

Bagó Group: <https://www.bago.com.ar/en/>

As outlined earlier, the company is jointly owned by two entities, with Ferozsans Laboratories Limited holding the majority controlling interest.

2.3. SALIENT FEATURES OF THE ISSUE

The Issue comprises of 25,000,000 Ordinary shares of face value worth PKR 3/- each, which constitutes 28.30% of the total post-IPO paid up capital of the Company.

This Issue of 25,000,000 Ordinary Shares will be offered through the 100% Book Building process at a Floor Price of PKR 55.00/- per share. Initially, 75% of the issue size i.e., 18,750,000 Ordinary Shares will be allotted to Successful Bidders and 25% of the issue i.e., 6,250,000 Ordinary Shares will be offered to Retail Investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The proceeds from the IPO at the Floor Price of PKR 55.00/- are expected to be as follows:

Aggregate Proceeds	Number of Shares	Price/Share	Total Proceeds (Rs.)
Public Issue	25,000,000	55.00	1,375,000,000

2.4. PRE AND POST ISSUE SHAREHOLDING OF THE SPONSORS

Post IPO, the Equity Capital Structure, Shareholding pattern and Dilution is provided in the table below:

Shareholder	Pre-Issue Shareholding		Post-Issue Shareholding	
	Number of Shares	% Holding	Number of Shares	% Holding
Sponsors				
Ferozsons Laboratories Limited	50,666,667	80%	50,666,667	57.36%
Grupo Empresarial Bagó S.A	12,666,667	20%	12,666,667	14.34%
Public Offering	-	-	25,000,000	28.30%
Total	63,333,334	100%	88,333,334	100%

2.5. PRINCIPAL PURPOSE OF THE EQUITY CAPITAL RAISING

The Company plans to raise PKR 1,375,000,000/- at a Floor Price of PKR 55.00/- per share through IPO.

The proceeds from the IPO will be utilized to:

1. Purchase Plant and Machinery to enhance process efficiencies and broaden product base;
2. Obtain Export related Certifications and New Product Development Including Glucagon-like Peptide (GLP1); and
3. Purchase Raw and Packing Materials to Meet the Post Expansion Working Capital Needs

Any additional funds raised above the floor price shall be utilized by the Company in managing its additional CAPEX and working capital needs, which has been explained in section 4.5. Maximum strike price can be PKR 77.00/- per share and maximum funds raised can be PKR 1,925,000,000.

For a more precise intended utilization of funds against each item, please refer to Section 4.

2.5.1. Sources of Funding

The source of funding will be proceeds from the IPO. The Company plans to issue a total of 25,000,000 Ordinary Shares through IPO at a floor price of PKR 55.00/- per share to raise PKR 1,375,000,000.

2.5.2. Utilization of IPO Proceeds

The IPO proceeds will primarily be used to purchase plant & machinery to enhance process efficiencies and broaden product base, acquire export certifications such as PIC/S and SRA and new product development

including Glucagon-like Peptide (GLP1) and finance working capital requirements for purchase of raw and packing materials to meet post-expansion working capital needs.

The table below shows how the Issuer plans the utilization of PKR 1,375 Mn capital raised through IPO at the Floor Price of 55.00/- per share. Please also refer to Section 4.1 for more details.

S. No.	Proceeds Utilization	Amounts (PKR Mn)	%
1	Purchase of Plant and Machinery to Enhance Process Efficiencies and Broaden Product Base	560	41%
2	Obtaining Export related Certifications and New Product Development Including Glucagon-like Peptide (GLP1)	141	10%
3	Working Capital for the Purchase of Raw and Packing Materials to Meet the Post Expansion Working Capital Needs	674	49%
Total		1,375	100%

A detailed utilization of the IPO proceeds is provided in Section 4.1.

2.6. JUSTIFICATION GIVEN BY THE LEAD MANAGER/CONSULTANT TO THE ISSUE IN FAVOR OF FLOOR PRICE OF PKR 55.00/- PER SHARE MAY BE SEEN AT SECTION 4A OF THE PROSPECTUS, TITLED VALUATION SECTION

2.7. QUALIFIED OPINION, IF ANY, GIVEN BY THE AUDITOR DURING THE LAST THREE FINANCIAL

No qualified opinion was given on the financial statements of the Company during the last three financial years, i.e. FY23, FY22, FY21, by the Company's Auditors, i.e., KPMG Taseer Hadi & Co. Chartered Accountants.

2.8. FINANCIAL INFORMATION – (PLEASE REFER TO SECTION 6.5 FOR FURTHER DETAILS AND RATIOS ANALYSIS)

The audited financials of the Company can be downloaded from the following link: <https://bfbio.com/>

Financial Highlights:

In PKR Mn.	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Issued, subscribed and paid-up capital	190	190	190	190	190	190
Net Worth	735	782	1,467	1,825	1,974	2,288
Revenue	448	641	1,755	1,521	1,809	2,915
Gross Profit/(Loss)	(14)	98	796	458	449	1,262
Gross Margin	(3%)	15%	45%	30%	25%	43%
Operating Profit/(Loss)	(52)	61	671	414	356	604
Operating Margin	(12%)	10%	38%	27%	20%	21%
Profit After Tax/(Loss)	(44)	47	608	307	149	314
Net Margin	(10%)	7%	35%	20%	8%	11%

Earnings per Share ¹ (PKR)	(0.69)	0.74	9.58	4.85	2.35	4.96
Break-up value per share (PKR)	11.61	12.35	23.16	28.82	31.17	36.13
Break-up value per share with revaluation surplus (PKR)			N/A			60.07
Total Borrowings ²	20	7	1,091	2,151	3,236	2,793
Total Debt to Equity ³ - %	3%	1%	74%	118%	164%	122%
Cashflow from Operations	(55)	(20)	570	178	(196)	637

2.9. LEGAL PROCEEDINGS

There are no pending legal proceedings which may have a material adverse impact on the company. Pending litigations and tax contingencies are considered to have remote impact and the same are mentioned in section 8.1 as well. Details of pending legal proceedings are given as follows:

Sr No.	Order Dated	Issuing Authority	Tax Period	Financial Impact (PKR Mn)	Current Status	Background of the Case and Management Stance
1	June 29 th 2020	Federal Board of Revenue	2014	35.99	Pending in Appellant Tribunal	<p>On 15 June 2020, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2014. The proceedings were concluded on 29 June 2020, and an order was issued amounting to Rs. 35,992,726 on various contentions, which mainly includes promotional expenses, amortization and finance costs.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment. The Income Tax Department has filed an appeal against this order before the Appellate Tribunal Inland Revenue, which is currently pending. Management is confident that the eventual</p>

¹ EPS: Profit/(Loss) after Taxation / No. of Shares (63.33 Mn)

² Total borrowing is calculated as (Long-term Loan + Deferred Grant + Current Portion of long-term loan + Current portion of grant + Short-Term Borrowings)

³ Total Debt to Equity:(Total Borrowings / Total equity)

						outcome of the matter will be decided in favor of the Company.
2	October 6 th 2020	Federal Board of Revenue	2015	0.96	Pending - Commissioner Appeals	<p>In February 2017, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2015. The proceedings were concluded on 06 October 2020, and an order was issued amounting to Rs. 77,075,217 on various contentions. Which mainly includes expenses apportionment, promotional expenses, amortization and excess depreciation.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who, remanded back the case for fresh proceedings. After appeal effect proceedings, demand created on account of apportionment of expenses and depreciation were deleted and for promotional expenses demand was reduced to Rs. 961,772. The company has filed an appeal against both these issues with the Commissioner Appeals which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
3	July 15 th 2021	Federal Board of Revenue	2017	0.66	Pending in Appellant Tribunal	<p>As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer has issued Order and raised the demand of Rs.5,218,952 (inclusive of default surcharge) on account of non-withholding of tax on certain expenses including sales promotion and advertisement under section 156 of the Ordinance. The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment and</p>

						<p>upheld demand of Rs.664,128 on account of travelling and daily allowance.</p> <p>The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
	Total			37.61		

Furthermore, there are no other pending litigations other than those mentioned above, including against the sponsors of the Company having direct impact on BFBL.

2.10. RISK FACTORS

For key risk factors that include Business, Operational, Finance, Legal and Other Risks, and that may have an impact on the Company, its business operations and the IPO, please refer to Section 5 of the Prospectus.

2.11. SUMMARY OF RELATED PARTY TRANSACTIONS

Related party transactions are incurred in ordinary course of business only, and these are duly disclosed in financial statements. The related parties comprise associated undertakings, directors of the Company, key management personnel and post-employment benefit plans. The Company, in its normal course of business, carries out transactions with various related parties. Transactions entered with related parties are as follows:

Name	Relationship	Nature	FY 2021	FY 2022	FY 2023	9MFY 2024
			(PKR Mn)	(PKR Mn)	(PKR Mn)	(PKR Mn)
Ferozsons Laboratories Limited	Parent Company	Purchase of medicine	59.4	186.8	437.9	577.8
		Payment made against purchase of medicine	59.4	186.8	437.9	577.8
		Short term borrowing extended by FLL	-	-	170.0	-
		Short term borrowing repaid to FLL	-	-	170.0	-
		Expenses incurred by the Company on behalf of FLL – net	8.9	-	46.1	49.0
		Receipts received from FLL – net	-	-	44.8	0.4
		Receipts received by the Company on behalf of FLL - net	-	0.25	1.3	48.7
		Sale of medicine - net of returns and- discounts	8.9	7.8	23.6	0.83
		Receipts received against sale of medicine	8.9	7.8	23.6	0.83

Name	Relationship	Nature	FY 2021	FY 2022	FY 2023	9MFY 2024
			(PKR Mn)	(PKR Mn)	(PKR Mn)	(PKR Mn)
		Premium against corporate guarantee paid by FLL	3.5	7.0	7.0	5.3
		Payment made against premium on corporate guarantee	3.5	7.0	7.0	3.5
		Markup expense on short-term borrowing facility by FLL	-	-	0.95	-
		Payment made against markup expense on short-term borrowing facility by FLL	-	-	0.95	-
		Expenses incurred by FLL on behalf of the Company – net	-	13.8	-	-
		Payments made to FLL - net	-	14.0	-	-
		Receipts received by FLL on behalf of the Company – net	4.1	-	-	-
		Receipts received from FLL - net	13.0	-	-	-
Farmacia	Associated Undertaking	Sale of medicine - net of returns and discounts	211.5	139.7	126.9	145.8
		Payment received against sale of medicine	211.5	139.7	126.9	145.8
		Purchase of medicines	0.30	0.1	-	-
		Laboratory expenses	-	0.03	-	-
		Payment made against purchase of medicine/expense	0.30	0.13	-	-
Grupo Empresarial Bagó S.A.	Non-Controlling Shareholder	Royalty expense	5.9	2.6	-	-
Bago Laboratories Pte. Limited	Associated Company	Purchase of medicine	64.2	81.8	77.0	59.9
		Payment made against purchase of medicine.	114.1	67.6	83.9	94.1

Name	Relationship	Nature	FY 2021	FY 2022	FY 2023	9MFY 2024
			(PKR Mn)	(PKR Mn)	(PKR Mn)	(PKR Mn)
Employees Provident Fund	Post-employment benefit fund	Provident fund contribution	5.8	6.8	8.7	9.0
Khan & Piracha	Associated Company	Services received	1.0	-	-	-
		Payments made	1.0	-	-	-

All transactions with related parties are conducted at arm's length.

3. OVERVIEW, HISTORY AND PROSPECTS

3.1. COMPANY HISTORY & OVERVIEW

Name	BF Biosciences Limited
Incorporation Number	0054065
Date of Incorporation and Place	24 th February 2006, Rawalpindi
Date of Commencement of Business	1 st July 2009

BF Biosciences Limited ("the Company" or "BFBL") was incorporated on 24 February 2006 as an unlisted public limited company under the Companies Ordinance, 1984 (now Companies Act, 2017). The Company was incorporated pursuant to signing of an agreement between Ferozsons Laboratories Limited, Pakistan ("the Parent Company") and Grupo Empresarial Bagó S.A, ("Bago") for setting up a Biotech Pharmaceutical Plant ("Line I") to manufacture mainly Hepatitis related medicines. Initially, the Company started import of finished products from Bagó, Argentina, but subsequently, the Company commenced local manufacturing of biological medicines from FY 2009, which led to significant import substitution.

The principal activity of the Company is import, manufacturing and sale of pharmaceutical products. The Company operates in various therapeutic areas, including Nephrology, Cardiology, Gastroenterology, Diabetes, Oncology, Anti-viral, and Hepatology. The registered office of the Company is situated at 197-A, The Mall, Rawalpindi and the production facility is located at 5 KM- Sunder Raiwind Road, Lahore.

BF Biosciences Limited is a joint venture between Ferozsons Laboratories Limited and the Grupo Empresarial Bagó S.A. The share-holding of the Parent Company and Grupo Empresarial Bagó S.A is 80% and 20% respectively.

The Company is a pioneer in local manufacturing of hepatitis related medicines (i.e. interferon injections). However, in 2014, an oral cure for chronic Hepatitis C under the brand name of "Sovaldi" was introduced by M/s Gilead Sciences, Inc USA. In FY 2015, Sovaldi was launched in Pakistan by Ferozsons Laboratories Limited. The shift of HCV treatment from injectables to oral led to significant decline in sales and the bottom line of BFBL from FY 2017 to FY 2020. During these years, the Company began to realign its product portfolio but struggled due to delayed registrations on the part of Drug Regulatory Authority of Pakistan ("DRAP") along with limited production capacity for non-biological products.

In 2020, BFBL executed a non-exclusive license agreement with Gilead Sciences, Inc. for the manufacture and sale of Remdesivir (an anti-viral drug for the treatment of COVID-19 patients) under Gilead's Global Patient Solutions (GPS) Program. The program aimed to improve access to their medications for patients worldwide, especially in the developing world. The agreements were executed with 5 South Asian manufacturers. BFBL was the only Company from Pakistan to be licensed to manufacture Remdesivir for distribution in up to 127 countries. Under the licensing agreement, the company received technology transfer of the Gilead manufacturing process for Remdesivir to enable it to scale up production quickly. The Company successfully manufactured Remdesivir during COVID-19 and impacted the lives of over 100,000 patients in 15 countries. Cumulatively, Remdesivir sales contributed approximately Rs. 2 billion in topline in FY2021 – FY2022 (whereby Rs. 1.3 billion are in exports and rest are local). Management decided that all the net cashflows generated from the Remdesivir would be invested to increase BFBL's production capacity through a brown field expansion ("Line II"), capable of producing biologicals, non-biologicals and select vaccines.

In FY 2021, financial close of state-of-the-art "Line II" expansion comprising of high-speed pre-filled syringes line, 42 square meter lyophilizer, a combi filling line and other ancillary accessories at a projected cost of PKR 2.9 Bn was achieved through a mix of debt and equity in ratio of 85%:15%. Going forward, in lieu of cost escalations, the debt to equity ratio was revised to 73%:27% accordingly. Out of the PKR 2.9 billion, PKR 0.48 billion was allocated for civil works and PKR 2.42 billion for plant and machinery (inclusive of duties and taxes at the import stage, along with installation charges). The details are elaborated in below table:

Sr. No.	Category	Costs (Inclusive of Installation But Excluding Duties) (Rs. Mn)	Duties and Taxes (Rs. Mn)	Total Costs (Rs. Mn)
1	Building	410	65	475
2	Plant and Machinery	1,988	437	2,425
	Grand Total	2,398	502	2,900

Accordingly, financing amounting to PKR 2.925 billion was raised. The debt component was primarily financed through State Bank of Pakistan's Temporary Economic Refinance Facility ("TERF") amounting to PKR 2.09 billion and a private convertible debt obtained from Karandaz Pakistan amounting to PKR 0.835 billion. These loans carry fixed interest rates, ranging from 1.93% to 3.00% P.A. The same is tabled below:

Sr. No.	Category	Amount (Rs. Mn)
1	TERF Loan – Habib Bank Limited	1,240
2	TERF Loan – MCB Bank Limited	850
3	Convertible Loan from M/S Karandaz Pakistan	835
	Grand Total	2,925

Post initial financial close of the project, the Company suffered various cost escalations and accordingly, the project cost was revised to Rs. 4,000 million. These escalations were met by the Company through its internal resources. The summary is also tabulated below for reference:

Particulars	Initial Project Cost (PKR Mn)	Revised Project Cost (PKR Mn)	Cost Escalations (PKR Mn)	Cost Escalations - %
Civil Works	475	800	325	68%
Plant & Machinery	2,425	3,200	775	32%
Grand Total	2,900	4,000	1,100	38%

Despite of all the escalations, the Line II has been completed and the additional requirement for procuring plant and machinery is to enhance process efficiencies, procuring quality control equipment and to broaden product base.

The details of capacity of the plants are outlined below:

Fill Size	Line I Capacity * (Units)	Current Capacity Utilization	Line II Capacity * (Units)	Expected Capacity Utilization	Total Capacity * (Units)	Total Capacity Utilization
Liquid Filling Line - Daily Capacity:						
2 ML	45,000	100%	192,000	40%	237,000	51%
30 ML	4,500	100%	50,000	40%	54,500	45%
Lyophilizer Line - Daily Capacity						
2 ML	17,000	100%	200,000	40%	217,000	45%
30 ML	4,500	100%	50,000	40%	54,500	45%
Pre-filled Syringes - Daily Capacity						
0.5 ML	15,000	100%	50,000	40%	65,000	54%

* The capacities are based on standard vial sizes, however, based on the manufacturing process, these may vary from product to product. Further, the utilization is calculated as per the forecasted sales volumes, market size and related parameters of targeted products.

Concurrently with its line II expansion, the Company obtained new registrations and started marketing other products (primarily Enoxaparin sodium, Etanercept and Erythropoietin in pre-filled syringe) on line I. To ensure

that additional demand is met, the company is currently using multiple shifts on line I. Further, the company is actively engaging with the health care professionals to appraise them about the new pipeline of products.

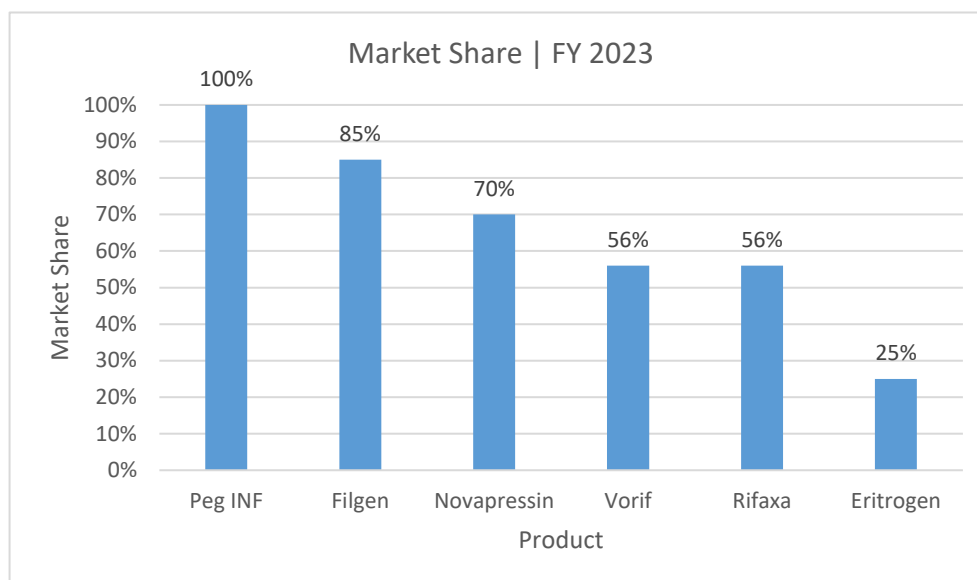
In addition, for certain injectable products planned to be manufactured on Line II e.g. Voriconazole, Azithromycin and Acyclovir, the Company started marketing oral variants of these products through manufacturing from Parent Company. (Ferozsons Laboratories Limited). In order to implement this strategy, the Company significantly expanded its sales force, which led to significant growth in its topline. Through this strategy, once the new pipeline is available, the company will already have presence in the market through its existing sales teams, thus supporting rapid growth for the new product formulations.

BFBL offers a diverse range of pharmaceutical products. The following table summarizes the major products of the company, their uses, active pharmaceutical ingredients (APIs) used and end users. It is pertinent to mention that majority of the APIs are imported from China, India, Spain and Argentina.

Product	Indication	Active Pharmaceutical Ingredient (API)	Patient Group
Existing Portfolio			
Peg INF	Treatment of Hepatitis C (HCV)	Pegylated interferon alfa-2a	Patients with Hepatitis C, used in combination therapy with oral treatments for HCV delta virus
Novapressin	Treatment of bleeding esophageal varices	Terlipressin acetate	Patients with bleeding esophageal varices; primarily used in hospitals and healthcare institutions
Rifaxa	Treatment of digestive complications	Rifaximin	Patients with traveler's diarrhea and irritable bowel syndrome, especially Hepatology segment
Eritrogen	Treatment of anemia due to chronic kidney disease (CKD)	Recombinant human erythropoietin	Patients with chronic kidney disease requiring anemia management; both institutional and private market use
Noxane	Anticoagulant for treating and preventing DVT and pulmonary embolism	Enoxaparin Sodium	Patients requiring anticoagulation therapy; used in hospitals, clinics, and post-surgical settings
Filgen	Treatment to increase white blood cell levels in cancer patients	Filgrastim	Patients undergoing chemotherapy or with low white blood cell counts due to cancer treatment
Vorif	Antifungal treatment for fungal infections in lungs and blood	Voriconazole	Patients with fungal infections; used in oncology and antifungal therapy
Icon	First-line antifungal treatment	Itraconazole	Patients with fungal infections
New Pipeline			
Ferulin	Treatment for diabetes	Insulin	Patients with Type 1 and Type 2 Diabetes mellitus
Sematide	Glucagon-like peptide 1 (Glp1) used to control blood sugar together with exercise and diet control	Semaglutide	Patients with type 2 diabetes and Obesity
Ferium	Iron replacement for treatment of Iron deficiency	Ferric carboxymaltose	Patients with iron deficiency anemia (IDA)

Tiroban	Antiplatelet used in the treatment of clotting in cardiac patients	Tirofiban HC	Heart patients, specifically undergoing blocked coronary arteries.
---------	--	--------------	--

The market share of major products of BFBL are illustrated in the following figure:



Source: IQVIA

BFBL's strategic expansion into key therapeutic areas aims to address significant healthcare needs in Pakistan, particularly in diabetes management where there is a notable market demand and supply gap.

Product	Indication	Market Size * (PKR Bn)	Expected Launch
Insulin	Treatment of diabetes mellitus	18	Aug 2024
Semaglutide	Treatment of type 2 diabetes and long-term weight management	2	Aug 2024
Carboxy maltose	Treatment of iron-deficiency anemia	2.2	Oct 2024

* Therapeutic class

BFBL's therapeutic wise revenue breakup is as follows:

Therapeutic Class	FY 2022	% of Sales	FY 2023	% of Sales	9MFY 2024	% of Sales
Anti-Fungal	94,305,215	6%	303,828,215	17%	928,903,400	32%
Hepatology	529,774,770	35%	794,775,338	44%	788,817,275	27%
Chronic Kidney Diseases	165,851,563	11%	243,332,552	13%	358,389,321	12%
Derma	-	0%	64,215,489	4%	246,417,319	9%
Oncology	193,750,410	13%	254,123,920	14%	237,811,004	8%
Cardiology	23,865,780	2%	72,828,644	4%	155,627,919	6%
Antibiotics	-	0%	21,720,497	1%	119,083,371	4%
Gastroenterology	32,129,800	2%	49,473,986	3%	68,099,101	2%
Antivirals	481,025,076	32%	2,436,547	0%	-	0%
Rheumatoid Arthritis	-	0%	2,784,650	0%	12,365,039	0%
Grand Total	1,520,702,614	100%	1,809,519,838	100%	2,915,513,748	100%

3.2. PATTERN OF SHAREHOLDING

The pattern of shareholding pre and post IPO is as follows:

Shareholder	Current Shareholding		Post IPO Shareholding	
	Number of Shares	% of Total Shareholding	Number of Shares	% Holding
Existing Shareholders				
Ferozsons Laboratories Limited	50,666,667	80%	50,666,667	57.36%
Grupo Empresarial, Bagó	12,666,667	20%	12,666,667	14.34%
	63,333,334	100%	63,333,334	71.70%
Issuance of shares through IPO	Pre-Issue No. of Shares	% of Total Shareholding	Number of Shares	% Holding
Book Building Portion	-	-	18,750,000	21.23%
General Public Portion	-	-	6,250,000	7.07%
			25,000,000	28.30%
Total	63,333,333	100%	88,333,334	100%

The detail of shareholders is as follows:

- **Ferozsons Laboratories Limited**

Ferozsons Laboratories Limited is a public limited company founded in the year 1954 and was first pharma company listed on the Pakistan Stock Exchange (PSX: FEROZ) in 1960. Ferozsons possesses leadership brands in the areas of gastroenterology, hepatology, cardiology and oncology, with an emerging presence in endocrinology (specifically in diabetes mellitus) and infectious diseases.

Ferozsons is one of the leading companies in Pakistan maintaining exclusive agreements with a number of international partners for distribution, selling and co-manufacturing of products including the Bagó Group of Argentina, Boston Scientific and Gilead Sciences, Inc. of the USA, Biogaia of Sweden, and Nihon Kohden of Japan. Boston Scientific is one of the largest companies in America that deals in medical devices and stents, whereas Nihon Kohden is a leading manufacturer of medical electronics. Gilead Sciences, Inc. is a research-based biopharmaceutical company focused on the discovery, development, and commercialization of innovative medicines in the areas of virology and oncology.

Ferozsons is an exclusive partner of Gilead Sciences Inc for its range of branded products in Hepatitis B, Hepatitis C & Aids (HIV), and additionally holds a license to manufacture authorized generics of Gilead's products for Hepatitis C.

Ferozsons also represents the Boston Scientific Corporation for their range of medical devices in the areas of cardiology, electrophysiology, endoscopy, gastroenterology, pulmonology, urology and peripheral interventions.

For more details please visit: <https://ferozsons-labs.com>

- **Grupo Empresarial, Bagó**

Bagó was incorporated in Argentina in 1934. It was the first company to manufacture penicillin-based products in Argentina in 1945. Bagó is a diversified group engaged in various activities including biopharmaceuticals, animal health, distribution, insurance and bulk chemical manufacturing. It has a presence around the globe through strategic agreements with local and international partners in various countries such as: Astellas, Astra Zeneca, Boehringer Ingelheim, Ferrer, Fidia, Gedeon Richter, IBSA, MSD, Novartis, Pfizer, Synthron, UCB.

For more details please visit: <http://www.bago.com>

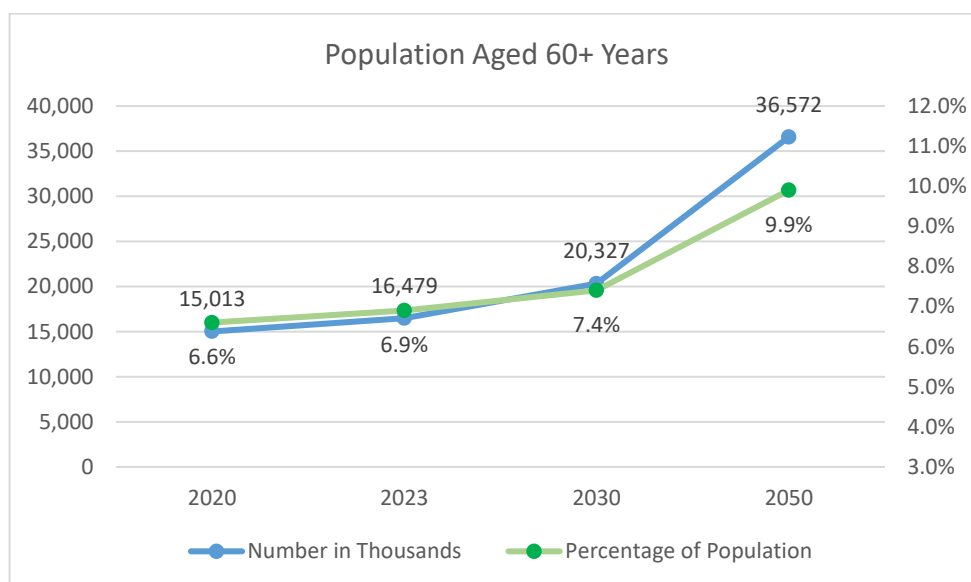
3.3. REVENUE DRIVERS

The key revenue drivers of BFBL include:

1. Ageing Population

An ageing population is a significant revenue driver for the pharmaceutical industry. As people age, they are more likely to develop chronic diseases that require ongoing medical treatment. This demographic shift increases the demand for a wide range of pharmaceutical products, which leads towards a steady and growing market. The Company's product portfolio includes products relating to Rheumatoid Arthritis, Diabetes, Cardiology and Chronic Kidney Diseases which have a high prevalence in the aged population. Key population indicators of Pakistan are given in the table below:

Indicators	Value ⁴
Population age 60+ (thousands)	16,479
Population aged 60+ (% of total population)	6.9
Percentage of women out of the population aged 60+	53.0
Percentage of women out of the population aged 80+	56.9
Life expectancy at birth (years)	67.3
Median age (years)	20.6
Total fertility rate (births per woman in 2023)	3.3



Source: <https://www.population-trends-asiapacific.org/data/PAK>

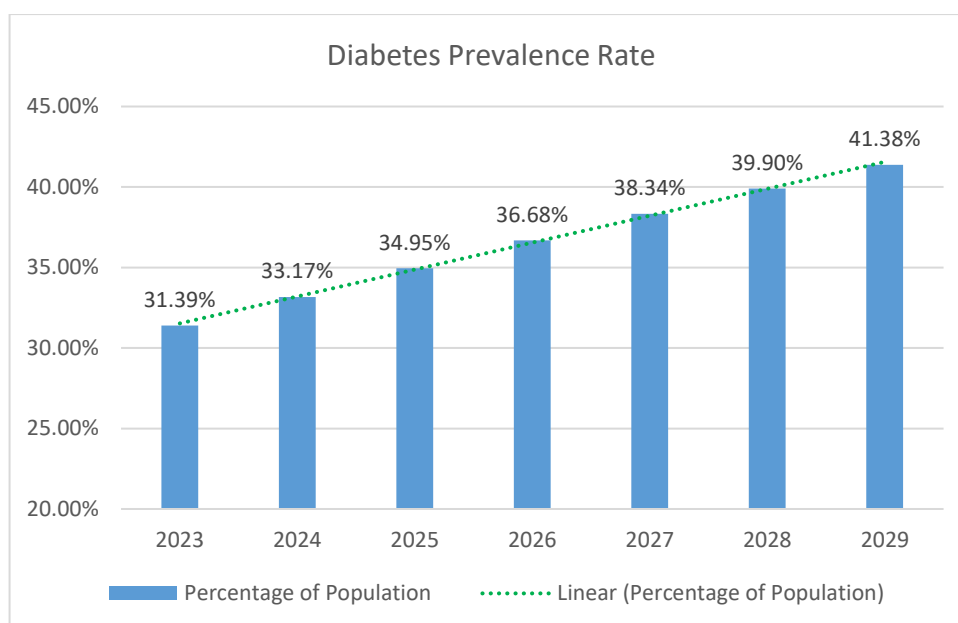
2. Diseases Prevalence Rate for Select Therapeutics

The prevalence of diseases such as diabetes, cardiology, and chronic kidney diseases (CKD) are critical revenue drivers. The prevalence of diabetes and cardiovascular diseases has been rising globally due to factors such as sedentary lifestyles, poor diet, and increasing obesity. In Pakistan, approximately 30% of the adult population (over 30 million people) in the country are diabetic, the highest prevalence of diabetes mellitus in the world.

⁴ <https://www.population-trends-asiapacific.org/data/PAK>

The growing burden of such diseases necessitates a consistent supply of medications, increasing the demand for pharmaceutical products.

The launch of Insulin, targeting the vast diabetic population in Pakistan, addresses a critical shortage exacerbated by the exit of various multinational corporations including Eli Lilly, who was one of the major insulin providers. With an estimated market size of PKR 18 billion and a growth rate of 22% (Source: IQVIA), BFBL's entry into local insulin production with Ferulin is strategically timed to capture market share previously dominated by MNCs. Currently, there has been acute shortage of Insulin in market and some demand is being fulfilled through commercial imports by some importers. Leveraging its existing customer base from FLL's presence in the diabetes market, BFBL aims to meet the growing demand and establish a strategic positioning to address unmet patient needs in the diabetic segment.



Source: <https://www.statista.com/outlook/co/health-indicators/pakistan#health-determinants>

3. Government Procurements and Health Policies/Budget

Government procurements and health policies significantly influence pharmaceutical revenues, as specific portions of budgets are allocated for the procurement of medicines relating to public health programs and government owned hospitals. Favorable health policies, such as increased healthcare spending, health card coverage, and initiatives to combat specific diseases, create a stable and substantial market for pharmaceutical companies. The Budget in Brief FY 2024-25 discloses that the government has allocated PKR 27 Bn for the Ministry of National Health Services and Regulations (i.e. Health Budget) which represents an increase of 106% over PKR 13 Bn in 2023-2024⁵.

4. Strategic Partnerships/Collaborations and Launch of New Chemical Entities (NCEs)

Strategic partnerships and collaborations, along with the launch of new chemical entities (NCEs), are pivotal revenue drivers in the pharmaceutical industry. NCEs represent innovative breakthroughs in drug development. Successful launches of NCEs can lead to patent protection, market exclusivity and potentially lucrative licensing agreements. Through collaborations with other pharma companies, new therapies can be introduced, which leads to revenue generation.

⁵ https://www.finance.gov.pk/budget/Budget_2024_25/Budget_in_Brief.pdf

5. Stability of Macroeconomic Factors

Macroeconomic stability plays a crucial role. Stable economic conditions generally lead to higher disposable incomes, increased healthcare spending by Government, and greater investment in healthcare infrastructure, which increases demand for pharmaceutical sales. Conversely, economic instability can reduce government healthcare budgets and consumer spending on medications.

6. Export Opportunities / Favorable Export Policies

Export opportunities and favorable export policies are vital revenue drivers. Access to international markets allows the company to tap into larger and more diverse patient populations, thereby enhancing sales potential. Favorable export policies facilitate easier and more cost-effective entry into foreign markets. Moreover, exporting to emerging markets provides access to growth opportunities and presents lucrative prospects for revenue base expansion. In parallel to local registrations, company has also availed export registrations for majority of the new launches mentioned in para 8. Currently, the export sales consist of approx. 1%-2 % of the overall topline and with addition of new pipeline, the management is confident of increase the exports sales mix. Major current exporting destinations includes Sri Lanka, Myanmar, Uganda, Kenya, Philippines, etc.

7. Additional Gap created due to exit of MNCs

During recent years a number of multinational companies have exited the country. With the exit of these MNCs, e.g. Eli Lilly, Pfizer, Sandoz, Bayer, a significant gap has emerged for quality medicines that can be filled with state-of-the-art expansions like BF Biosciences Limited.

8. Expanding Product Portfolio

BFBL aims to boost revenue by expanding its product line with key molecules, such as Insulin, Semaglutide and Carboxy Maltose, targeting Pakistan's diabetic and obesity markets respectively. Semaglutide addresses diabetes and long-term obesity management, with a market size of PKR 1.5 billion⁶ and unit growth of 100%. With local manufacturing of Semaglutide, BFBL aims to overcome affordability and availability barriers associated with imported products.

Additionally, BFBL's inclusion of Carboxy Maltose, strategic filing and imminent launch of additional molecules under priority review by DRAP, including Acyclovir, Azithromycin, and others, underscores its proactive approach to diversifying and expanding its product offerings. These initiatives are anticipated to broaden BFBL's market presence and reinforce its revenue streams across various therapeutic areas.

S. No.	Molecule	Status
1	Acyclovir	Approved by DRAP in June 2024
2	Azithromycin	Approved by DRAP in June 2024
3	Water for Injection	Approved by DRAP in June 2024
4	Tramadol HCl	Approved by DRAP in June 2024
5	Voriconazole	Approved by DRAP in June 2024
6	Ondansetron HCl	Approved by DRAP in June 2024
7	Ferric Carboxymaltose	Approved by DRAP in June 2024
8	Ketorolac Tromethamine	Approved by DRAP in June 2024
9	Iohexol	Approved by DRAP in June 2024
10	Tirofiban HCl	Approved by DRAP in June 2024
11	Heparin sodium	Under priority review

⁶ Source: IQVIA

3.4. COST DRIVERS

All procurements are executed in adherence with the Procurement Policy through the Procurement Module of SAP S/4 HANA the Enterprise Resource Planning (“ERP”) software being used by BF Biosciences Limited.

The key cost driver includes:

1. Cost of Raw and Packing Materials:

APIs (Active Pharmaceutical Ingredients) are the main ingredient in a medicine that cause the desired effect in a human body. In addition to APIs, certain excipients (inert pharmaceutical ingredients having limited pharmacological activity, unlike the API) are also used. Furthermore, various packing materials (i.e. vials, outer cartons etc.) are also used for packing the product. Mostly these materials are imported from India, China and European Countries.

The cost of raw and packing materials consumed as a proportion of total cost of sales stands at 31% in 9MFY 2024, compared to 35% in FY 2023 and 40% in FY 2022.

In order to complete the therapeutic range, BFBL also procures pharmaceutical products from its parent company, FLL. This strategic sourcing ensures BFBL maintains a streamlined supply chain and reinforces synergies within the corporate structure, fostering a cohesive approach to meeting market demands effectively.

List of major vendors of the Company is provided below:

S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 9MFY 2024 (PKR Mn)	% of Total Purchases during 9MFY 2024
1	Ferozsons Laboratories Limited (FLL)	Pakistan	Finished Goods (Voriconazole Oral, Azithromycin Oral & Suspension, Rifaximin Oral, Acyclovir Oral, Itraconazole Oral etc.)	187	28%	438	34%	577	48%
2	Hebei Changshan Biochemi	China	Active Pharmaceutical Ingredients (Enoxaparin & Heparin Sodium)	81	12%	62	5%	135	11%
3	Gemabiotech S.A.U.	Spain	Active Pharmaceutical Ingredients (Etanercept, Filgrastim etc.)	48	7%	162	12%	115	10%
4	Zelltek S.A.	Argentina	Active Pharmaceutical Ingredients (Erythropoietin etc.)	60	9%	111	9%	112	9%

2. Fuel and Power Cost:

Utilities expenses constitute the largest overheads component and represent 14% of the total cost of sales in 9MFY 2024, compared to 10% in FY 2023 and 11% in FY 2022. These include electricity, gas and fuel expenses. The Company has access to 1 Megawatt solar capacity from its parent company as the plant is owned by Ferozsons Laboratories Limited, in addition to the 1.2 MW supply from national electricity grid (i.e. LESCO) for meeting its energy requirements relating to plant and machinery. The Company's industrial boilers operate on natural gas obtained from Sui Norther Gas Pipelines Limited (SNGPL). The Company also has two fuel powered generators with a collective capacity of 2.2 MW, for which fuel is sourced from Pakistan State Oil (PSO).

The breakup of the source of electricity supply is provided below:

S. No.	Sources	Capacity (MW)
1	National Grid (LESCO)	1.2
2	Solar Plant	1.0
3	Generators	2.2
	Total	4.4

3. Salaries and Wages:

Salaries and wages form the second largest overheads component and represent 8% of the total cost of sales in 9MFY 2024, compared to 9% in FY 2023 and 13% in FY 2022. Since the plant is highly state-of-the-art, skilled labor is an integral part for running the plant operations.

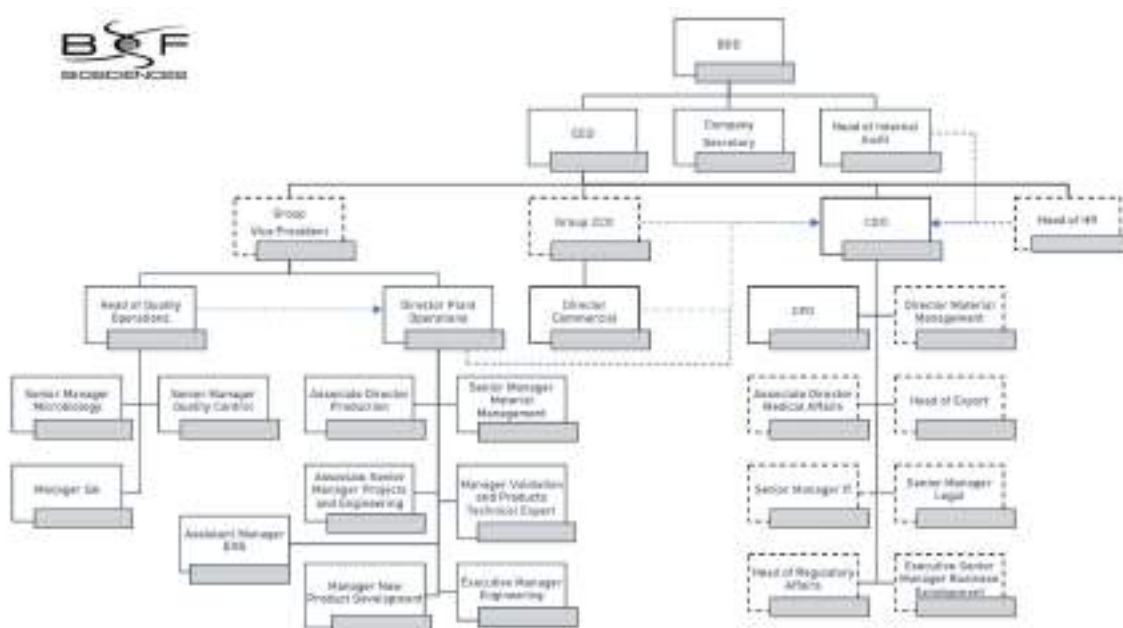
4. Factory Overheads:

Miscellaneous factory overheads (including Depreciation on property, plant and equipment, Stores and spares consumed, Laboratory expenses, Insurance and other factory overheads etc.) collectively accounted for 13.82% of the total cost of sales for FY 2023 and 12.05% of the cost of sales in FY 2022. During the 9MFY 2024 the miscellaneous factory overheads accounted for 7.80% of the total cost of sales.

5. Selling and Distribution Expenses:

Selling and distribution expenses are an integral part of the business and account for 21% of topline in 9MFY 2024, compared to 8% in FY 2023 and 10% in FY 2022. These primarily include expenses incurred on account of continuing medical education (CME), travelling and field force salaries & incentives. Incentives, which usually constitute a percentage of sales revenue, typically fall within the range of 2% to 3% of total sales. BFBL distributes its products to customers through Muller & Phipps Pakistan.

3.5. COMPANY ORGANOGRAM



3.6. KEY MILESTONES

Years	Events
2006	Incorporated as an unlisted public limited company
2006	Signing of agreement between Ferozsons Laboratories Limited and Grupo Empresarial Bagó S.A. to establish a biotech pharmaceutical plant for manufacturing primarily hepatitis and oncology related medicines
2009	Installation of Line -I and Commencement of local manufacturing
2014	Payment of long-term debt obtained for greenfield expansion
2020	Finalization of licensing agreement with Gilead Sciences, Inc. for the manufacture and sale of Remdesivir for treatment of Covid 19.
2021	Launch of Remdesivir and sales in local and export markets (to fifteen (15) nations) amounting to Rs. 2 billion
2021	Completion of financing for state-of-the-art brownfield expansion of PKR 2.9 billion through debt & equity financing of PKR 2.9 billion
2021	Securing agreement with MJ Biofarm Pvt. Ltd. for local manufacturing of Insulin
2021	PESA award for export of Remdesivir
2023	Launch of human recombinant erythropoietin in pre-filled syringe PFS
2023	Launch of first locally manufactured Etanercept in PFS
2023	Re-launch of first locally manufactured Enoxaparin sodium in PFS
2023	Implementation and Go Live for SAP S4 HANA all modules, including HCM/SF as well.
2024	Installation of Line II in July 2024 and validation is in process and expected to be completed by September 2024

3.7. LOCATION OF PLANT AND PRODUCTION CAPACITY

The Company’s manufacturing facility is located at its factory site at 5 KM - Sunder Raiwind Road, Lahore. Line I is currently operating at maximum capacity, while Line II is projected to run at approximately 40% capacity

during its first year of operation starting from September 2024. The capacity of the plant varies from product to product due to manufacturing time. However, the tentative capacity of the plant is outlined below:

Fill Size	Pre-Expansion - Line I Capacity * (Units)	Current Capacity Utilization **	Post-Expansion - Line II Capacity * (Units)	Expected Capacity Utilization	Total Capacity * (Units)	Total Capacity Utilization
Liquid Filling Line - Daily Capacity:						
2 ML	45,000	100%	192,000	40%	237,000	51%
30 ML	4,500	100%	50,000	40%	54,500	45%
Lyophilizer Line - Daily Capacity						
2 ML	17,000	100%	200,000	40%	217,000	45%
30 ML	4,500	100%	50,000	40%	54,500	45%
Pre-filled Syringes - Daily Capacity						
0.5 ML	15,000	100%	50,000	40%	65,000	54%

* The capacities are based on standard vial sizes, however, based on the manufacturing process, these may vary from product to product. Further, the utilization is calculated as per the forecasted sales volumes, market size and related parameters of targeted products.

** Line I reached 100% capacity in 2021 and has been operating at 100% capacity over the last three years.

3.8. INFRASTRUCTURE OVERVIEW

3.8.1 Manufacturing Facility

BF Biosciences Limited has underscored Pakistan's advancement in biotech manufacturing, positioning itself as the first⁷ biotech facility in the country designed to EU/USFDA standards by Telstar Projects of Spain. This achievement elevates Pakistan to a select group of exporters of biotech pharmaceuticals. Situated on a sprawling 27-acre site (including Ferozsons Head Office) along Lahore's 5 KM - Sunder Raiwind Road, the plant boasts remarkable infrastructure. Operating since 2009, this cutting-edge facility specializes in the manufacturing of biological medicines for cancer and hepatitis C and D treatments, catering to domestic and global markets.

The BF Biosciences manufacturing facility stands as a pioneer in Pakistan's Biotechnology sector:

- The manufacturing facility was designed and installed by leading European Pharmaceutical Designers Telstar in year 2009 to comply fully with EMEA and US FDA standards. Telstar has previously completed several US FDA approved facilities in Europe and the United States.
- BFBL is a pioneering endeavor, establishing the country's first biotech pharmaceutical facility designed in line with EU and US FDA standards.
- The manufacturing facility is designed to ensure complete segregation between different products under formulation, whether biologicals or other parenterals. All contact parts are completely changeable and dedicated when shifting from one product to another. The facility is also designed to ensure biological/bio-hazard containment.
- Specialized Gowning for clean areas and segregated gowning for support areas. Personnel involved in the product filling area go through three change rooms and undertake three different stages of clothing to maintain sterility and prevent contamination. Special Hatches developed for the clean rooms which not only have UV lights but also H14 ventilated systems to ensure proper cleanliness as per FDA guidelines.

⁷ <https://www.brecorder.com/news/3248462>

Details of material properties of BFBL are given in the table below: (through Line I and Line II)

S. No.	Particulars	Ownership Status	Date of Acquisition	Usage of Immoveable Property	Location	Total Area
1	Factory Land *	Owned (Freehold)	8 th June 2016	Factory Site	Lahore	87,120 sq. ft (2 Acre)
2	Building	Owned (Freehold)	N/A	Factory	Lahore	113,736 sq. ft

* The Factory Land has been acquired from Ferozsons Laboratories Limited.

3.8.2 Process Support Facilities

The Company has a dedicated Gas connection from SNGPL for boiler operations. The plant is powered by electricity from national grid and from solar plant by FLL to energize the system from clean energy. The facility has two diesel fired generators in backup. The breakup of the source of electricity supply is provided below:

S. No.	Sources	Capacity (MW)
1	National Grid	1.2
2	Solar Plant	1.0
3	Generators	2.2
	Total	4.4

3.8.3 Suppliers Profile

1. **Telstar** - Telstar is a pharmaceutical design, engineering and equipment manufacturing company based in Spain. Telstar provides GMP compliant plant and related solutions.

Website: <https://www.telstar.com/en/>

2. **Bausch & Strobel** - Bausch & Strobel is a global leader in pharmaceutical packaging machinery, based in Germany. The Company designs, builds and sells filling and packaging machines for the pharmaceutical industry.

Website: <https://www.bausch-stroebel.com/en>

3. **Syntegon** - Syntegon provides packaging and processing solutions, based in Germany. The Company provides plant and related solutions relating to processing and packaging for the pharmaceutical and food industries.

Website: <https://www.syntegon.com/>

4. **Steris Finn Aqua** - Steris Finn Aqua is a manufacturer of water purification systems and equipment, based in United States. The Company is engaged in provision of customized sterilizers to pharmaceutical companies.

Website: <https://www.steris.com/>

These companies are recognized leaders in their respective fields within the pharmaceutical industry, contributing to the high standards of the manufacturing facility.

3.9. LOCAL & INTERNATIONAL ACCREDITATIONS

BFBL is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified and the Company is also recipient of PESA award for export of Remdesivir in the year 2021. The Company is locally GMP certified by DRAP and also hold

GMP certification of Uganda and Kenya. Further GMP inspections by Health Yemen and FDA Ghana were conducted recently and certifications are awaited.





The facility (Line I) been designed and installed by Telstar, one of Europe’s leading pharmaceutical design and engineering companies, in compliance with EU and USDFA requirements. All plant and equipment have been procured from global industry leaders, including Bausch & Strobel, Syntegon, Steris Finn Aqua, Telstar, Matachana and Celester.

Certification ID	Issue Date	Expiry Date	Certification Name	Details
ISO 9001:2015	June 2023	June 2026	Quality Management System	The standard demonstrates the ability to consistently provide products and services that meets or exceeds customer and regulatory requirements.
ISO 14001:2015	Sep 2023	Sep 2027	Environmental Management System	The International standard sets out the requirements for an environmental management system. It helps organizations improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholders.
ISO 45001:2018	Aug 2023	Aug 2027	Occupational Health & Safety Management System	The certification recognizing adherence to globally recognized occupational health and safety management systems. It supports organizations in demonstrating and promoting a culture of safety across all functional areas.

3.10. MANUFACTURING PROCESS OVERVIEW

The manufacturing process progresses through several key stages as shown below:

Main Component	Functions	Visual Description
Dispensing	Raw materials are dispensed from the warehouse, with precision and accuracy, ensured by state-of-the-art dispensing equipment.	
Cleaning and Autoclaving	The equipment and utensils are sterilized, and other area cleaning SOPs are followed guaranteeing utmost cleanliness and sterility.	

<p>Vial Washing & Depyrogenation</p>	<p>Vials are washed employing cutting-edge technology to eradicate even the slightest hint of contamination or bacterial presence, ensuring the highest quality standards.</p>	
<p>Formulation</p>	<p>Raw materials are seamlessly combined through sophisticated blending machinery, resulting in desired product formulation, meeting the required specifications.</p>	
<p>Quality Control Checking</p>	<p>Formulation materials undergo quality checks, conducted by our precision-engineered equipment, ensuring each component meets the exacting standards set forth.</p>	
<p>Filling</p>	<p>The formulation is seamlessly transferred to production machines, and the finished product is filled into vials, ampoules, or prefilled syringes as required.</p>	
<p>Quality Assurance Testing</p>	<p>The finished products are tested again by advanced testing equipment, adhering to established protocols with unparalleled accuracy and reliability.</p>	
<p>Batch Coding and Packing</p>	<p>Following batch coding, the product is packaged and made ready for sale after finished product release.</p>	

3.11. PRODUCTS PORTFOLIO END USERS, DEMAND FOR THE PRODUCTS AND COMPETITION

Some of the key products of BFBL already in the market along with launch details, demand and market share are as follows:

1. Peg INF

Peg INF (Pegylated interferon alfa-2a) injection was one of the very first products of the Company being used in the treatment of Hepatitis C (HCV) launched in year 2010. Before launch of PEG INF by the Company, originator product was imported and treatment cost was almost out of reach of majority of the patients in Pakistan. Subsequent to the launch of Peg INF by BFBL, the treatment cost of viral HCV was reduced by more than fifty percent. The use of PEG INF was reduced due to approval of oral treatments for the HCV; however, this is still used in combination with oral therapy to cure the Hepatitis Delta Virus (HDV). BFBL is currently the only manufacturer of peg interferon in the country and holds one hundred percent (100%)⁸ of the market share with the last two years average sales of PKR 140 Mn (including institutional sales as well).



2. Novapressin

Novapressin (terlipressin acetate) injection is used in the treatment of bleeding esophageal varices. Esophageal varices are developed when regular blood flow to the liver is blocked by a clot or scar tissue in the liver. BFBL is the only local manufacturer of terlipressin in the country and is primarily competing in this product segment with Getz Pharma's Terlip which is imported in finished form. BFBL sources its API for Novapressin from renowned European manufacturer, BCN Peptides, Spain and holds market leadership in the Terlipressin with a market share of seventy percent (70%)⁹. The approximate closing for FY 2024 for Novapressin will be PKR 280 million¹⁰. In addition to local sales, the company has started exports to Nepal and Sri Lanka as well.



⁸ IQVIA

⁹ IQVIA

¹⁰ Company's Management

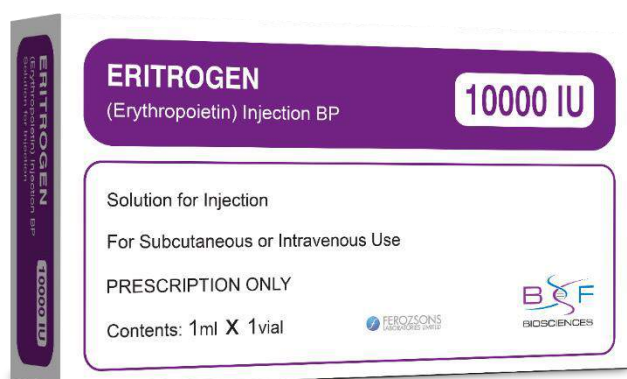
3. Rifaxa

Rifaxa (Rifaximin) is an oral anti-Infective medicine used to treat digestive complications. The major prescribers of Rifaximin are in the hepatology segment where the company has a strong presence. In order to maximize synergies, the company strategically started marketing Rifaxa in FY 2012 under manufacturing from the parent company. The market size for rifaximin as per IQVIA is around PKR 1 billion and market is growing at 46% while Rifaxa's growth is around 52% with a market share of 56%. The main competition in the Rifaximin is with Getz Nimixa, however BFBL has enjoyed the leadership position in the Rifaximin market since its launch.



4. Eritrogen

Eritrogen (Recombinant human erythropoietin) injection is a biological drug primarily used in the treatment of anemia as a result of chronic kidney disease (CKD). Previously, BFBL was marketing Eritrogen in vials primarily the public tender market. However, the Company launched its pre-filled syringes (PFS) dosage form in FY 2023 and also started selling in the private market. As per IQVIA, the market size of erythropoietin is around PKR 2 Bn with a market growth of 45% over the last year. In a very short time span, Eritrogen gained almost 25% share in the market and the brand is growing at 200%. Major competition in the erythropoietin market is with MAC EPO by Macter International Limited (PSX: MACTER) which holds 50% of the private market reported by IQVIA.



5. Noxane

Noxane (Enoxaparin Sodium) injection is a low molecular weight heparin. It is an anticoagulant medication, used to treat and prevent deep vein thrombosis and pulmonary embolism including pregnancy and following certain types of surgeries. The company launched the only locally manufactured Enoxaparin sodium in PFS during 2023. As per IQVIA, the private market size is around PKR. 1.7 billion out of which 80% share is captured by Hoechst Pakistan (Formerly Sanofi Aventis Pakistan Ltd) under the brand name of "Clexane". Hoechst is importing Clexane from Sanofi France, while BFBL is manufacturing it locally by sourcing the drug substance from a USFDA approved supplier, M/S Hebei Changshan, China.

Since launch, Noxane's growth has been exemplary. Currently BFBL has several production constraints, which will be settled post expansion by July 2024 and will allow the company to market the product at full scale. As

per IQVIA, the molecule is growing at 31% with Noxane growing at 184%. In addition to the private market, Enoxaparin Sodium has good volumes in the institutional business and BFBL has started supplying to some of the key institutions in the country including but not limited to Mayo Hospital Lahore, Peshawar Institute of Cardiology, Pir Abdul Qadir Shah Jelani Institute of Medical Sciences Lahore, Bahria International Hospital Rawalpindi, Sheikh Zayed Hospital Lahore etc.



6. Filgen

Filgen (Filgrastim) injection is a biological medication used to treat low white blood cell levels in patients suffering from cancer. As per IQVIA, the total private market is estimated to be around PKR 300 million, out of which BFBL holds 85% of the market share. For Filgen, BFBL is sourcing its drug substance from Gema Biotech, Argentina and the product has gained confidence from the Healthcare Practitioners across the country over time.



7. Vorif and Icon

Vorif (Voriconazole) is an oral and injectable antifungal used for the treatment of multiple fungal infections including fungal infections in the lungs and blood. BFBL started Vorif in oral dosage form to supplement its oncology portfolio through manufacturing from parent company in FY 2014. Initially there was a very limited usage compared to other available antifungal treatments. Being a new product in the antifungal segment with expensive API costs, company had to struggle with its margins on the product. However, over time the input cost has decreased, resulting in significant margin improvement. As per IQVIA, the market size is estimated to be PKR 500 million, out of which Vorif holds 56%. Post expansion of line 2, an injectable variant will also be launched, which will further improve the brand’s market share. The Company also aggressively started marketing Icon (Itraconazole) – a first line anti-fungal treatment to establish its leadership in the segment. The strategy worked well. Subsequent to the combined marketing of voriconazole and itraconazole brands under one team, both Vorif and Icon have grown by 56% and 51% respectively.



8. Other Existing Products

In addition to the aforementioned products, the Company has presence in the dermatology and oncology segments where multiple products are marketed. Particularly, there are few injectable products which are registered and the parent company has already strong presence in these therapeutic areas through oral products. Post expansion, BFBL will have sufficient capacity to produce these products and would be able to quickly grasp the market share in the injectable segments since Parent Company has already strong presence in these therapeutic areas. Further, the brand name of injectable products shall be same as used by the Parent Company for marketing oral range of products.

BFBL's imported and manufactured brands mainly include Donataxel, Oxaltie, Panataxel, Hecolin, Eritrogen, Esomega, Eterna, Filgen, Novapressin, Noxane, Omega, Peg INF and Ferulin whereas the brands whom are manufactured by FLL and sold by BF includes Acylex, Apreon, Azobar, Centaurus, Genesis, Icon, Rifaxa, Xirconi and Vorif. The brands manufactured by FLL are mainly the oral variants of injectables already manufactured by BF or are those which are in pipeline and will be available post commissioning of Line II. Furthermore, BF mainly sells Novapressin to FLL for onwards exports to international markets (for few countries) where FLL has presence. As far as sales mix of BF's own manufactured/imported products v/s FLL manufactured products is concerned, the average sales ratio stands at 65%:35%, which is based on last five years actual sales data. In addition, there are few products e.g. Rifaxa, Centaurus, which are only available in oral variants and these are part of the BF's portfolio as BF has better presence in the respective therapeutic areas (Virology/Hepatology).

The detail of other major brands along with their therapeutic area products is as follows:

S. No.	Generic Name	Brand Name	Therapeutic Area
1	Aciclovir	Acylex	Dermatology
2	Aprepitant	Apreon	Oncology
3	Azithromycin	Azobar	Antibiotics
4	Entecavir	Centaurus	Hepatology
5	Docetaxel	Donataxel	Oncology
6	Esomeprazole	Esomega IV	Gastroenterology
7	Etanercept	Eterna	Rheumatoid Arthritis
8	Omeprazole	Omega IV	Gastroenterology
9	Oxaliplatin	Oxaltie	Oncology
10	Paclitaxel	Panataxel	Oncology
11	Oxiconazole	Xirconi	Dermatology

New Pipe Lines

These new products are developed and have completed their stability. However, the IPO proceeds allocated to the working capital will be used for procurement of API/Drug Substance for these products. Details of these key products are as follows:

1. Ferulin

Ferulin R (Human Insulin rDNA origin) is primarily used for the treatment of type 1 and type 2 diabetes. The company has registration for three variants as follows:

(i) Ferulin 70/30 (70% Human Insulin Isophane Suspension, 30%, Human Insulin rDNA origin) - Biphasic:

This is the most widely prescribed variant. Insulin 70/30 is mixture of insulin isophane human, an intermediate-acting human insulin, and insulin human, a short-acting insulin human, indicated to improve glycemic control in adults with diabetes mellitus. As per IQVIA-April 2024, the total market size of this variant is almost PKR 10.3 Bn with 39% share of Novo Nordisk (Mixtard 30), 35% share of Eli Lilly (Humulin 70/30) and 25% share of Getz (Insuget 70/30).

(ii) Ferulin R (Human Insulin rDNA origin) - Regular:

It is a short-acting human insulin indicated to improve glycemic control in patients with diabetes mellitus. As per IQVIA-April 2024, the total market of Regular Insulin is almost PKR 971 million with 62 % share of Eli Lilly (Humulin R), 21% share of Novo Nordisk (Actrapid) and 16% share of Getz (Insuget R).

(iii) Ferulin N (Human Insulin Isophane Suspension rDNA origin) - NPH:

It is an intermediate-acting human insulin indicated to improve glycemic control in patients with diabetes mellitus. As per IQVIA-April 2024, the total market of Human Insulin Isophane is almost PKR 630 million with 61% share of Eli Lilly (Humulin N), 23% share of Novo Nordisk (Insulatard HM) and 15.7% share of Getz Pharma (Insuget N).

The company has partnered with Mj Biopharm India for tech transfer and supply of drug substance of Insulin. The finished product has been launched in August 2024. MJ is the largest supplier of insulin in India to the government institutions, where they are sole supplier to the central Government of India and hold 70% market share in the other states. There is an acute shortage of insulin in the market, and insulin is also included in the list of critically needed medicines by DRAP.



2. Sematide

Sematide (Semaglutide) is the most innovative medicine for managing diabetes mellitus type 2 with exemplary safety profile. It is a glucagon-like peptide 1 (GLP-1) receptor agonist indicated as an adjunct to diet and exercise to improve glycemic control in patients with type 2 diabetes mellitus and to reduce the risk of major adverse cardiovascular events in patients with type 2 diabetes mellitus. The current market size is around PKR 2 billion with majority share held by Ozempic of Novo Nordisk with a 100%-unit growth over last year. Pakistan being third largest diabetic population after China and India, there exist significant unmet patient needs in this segment. With the launch of Insulin and Semaglutide supplemented by oral diabetic portfolio by the parent company, as a group we will be only corporate having solution throughout the life cycle of a diabetic patient. The company has already obtained the registration of Semaglutide in 336th DRB meeting of the DRAP and the product will be launched in the first quarter of FY 2025. In 2021 USFDA approved another strength of Semaglutide with the name of Wegovy by Novo Nordisk, Wegovy is used for long term weight management in adults with obesity. In order to complete the product range, the company is planning to submit registration application for generic version of Wegovy in the near future.

3. Ferium

Ferium (Ferric Carboxy Maltose) is an iron replacement product indicated for the treatment of iron deficiency anemia (IDA) in adult patients who have intolerance to oral iron or have had unsatisfactory response to oral iron, or who have non-dialysis dependent chronic kidney disease. As per IQVIA, the market of Ferric Carboxy Maltose is estimated to be PKR 2.2 billion with a market growth of 85%. The majority of the market share is with imported products and management is confident that with a significant price difference supplemented by existing patient pool in CKD segment a reasonable share can be captured in the overall pie.

4. Other New Products

In addition to the above-mentioned products, the following products were also registered in June 2024 under priority registration review as an investment incentive as per DRAP regulations. The commercial production/sale of these products will start by second quarter of FY 2025.

S. #	Product	Composition	Usage
1	Vorif 200mg Infusion	Each vial (30 ml) Contains: (Lyophilized powder for infusion) Voriconazole 200 mg	It is an antifungal medication used to treat serious fungal infections.
2	Acylex 250 mg Infusion	Each vial Contains: (lyophilized powder for infusion) Aciclovir 250 mg	It is an antiviral medication used to treat infections caused by herpes viruses.
3	Acylex 500 mg Infusion	Each vial Contains: (lyophilized powder for infusion) Aciclovir 500 mg	It is an antiviral medication used to treat infections caused by herpes viruses.
4	Azobar 500 mg Infusion	Each vial Contains: (lyophilized powder for infusion) Azithromycin dihydrate equivalent to Azithromycin 500 mg	It is an antibiotic used to treat a variety of bacterial infections.
5	Dimere Injection 250mg	Each 5 ml vial contains: Fulvestrant 250mg	It is used to treat certain types of breast cancer by blocking estrogen receptors, which slows or stops the growth of cancer cells.
6	Clearvue 50mL Injection	Each ml Contains: Iohexol 755 mg equivalent to Iodine 350 mg	It is a contrast agent used in imaging tests like CT scans to enhance the visibility of blood vessels, organs, and tissues.
	Clearvue 100mL Injection	Each ml Contains: Iohexol 350 mg	It is a contrast agent used in imaging tests like CT scans to enhance the visibility of blood vessels, organs, and tissues.
7	Tiroban Injection	Each 15 ml Contains: Tirofiban HCl 4.215 mg equivalent to Tirofian 3.75 mg (250 mcg/mL)	It is used to prevent blood clots in people with certain heart conditions, particularly during or after procedures like angioplasty
8	Ondan 4mg Injection	Each 2 ml Contains: Ondansetron HCl dihydrate equivalent to Ondansetron 4 mg (2 mg/ml)	It is used to prevent nausea and vomiting.
	Ondan 8mg Injection	Each 4 ml Contains: Ondansetron HCl dihydrate equivalent to Ondansetron 8mg (2 mg/ml)	It is used to prevent nausea and vomiting

9	Ferium 500 mg Injection	Each vial (10 ml) Contains: Ferric Carboxy Maltose equivalent to Elemental iron 500 mg (50mg/ml)	It is used to treat iron deficiency anemia by replenishing iron stores in the body, particularly when oral iron is not effective or not tolerated.
10	Tramix Injection	Each 2 ml Contains: Tramadol HCl 100 mg	It is a pain reliever used to treat moderate to severe pain.
11	Ketro Injection	Each ml Contains: Ketorolac Tromethamine 30 mg	It is a nonsteroidal anti-inflammatory drug used to relieve moderate to severe pain.
12	Sterile Water for Injection 5ml	Each ampoule Contains: WFI 5ml	It is used as a solvent or diluent for medications to be administered by injection.
	Sterile Water for Injection 10ml	Each ampoule Contains: WFI 10ml	It is used as a solvent or diluent for medications to be administered by injection.

BFBL's therapeutic wise revenue breakup is as follows:

Therapeutic Class	FY 2022	% of Sales	FY 2023	% of Sales	9MFY 2024	% of Sales
Anti-Fungal	94,305,215	6%	303,828,215	17%	928,903,400	32%
Hepatology	529,774,770	35%	794,775,338	44%	788,817,275	27%
Chronic Kidney Diseases	165,851,563	11%	243,332,552	13%	358,389,321	12%
Derma	-	0%	64,215,489	4%	246,417,319	9%
Oncology	193,750,410	13%	254,123,920	14%	237,811,004	8%
Cardiology	23,865,780	2%	72,828,644	4%	155,627,919	6%
Antibiotics	-	0%	21,720,497	1%	119,083,371	4%
Gastroenterology	32,129,800	2%	49,473,986	3%	68,099,101	2%
Antivirals	481,025,076	32%	2,436,547	0%	-	0%
Rheumatoid Arthritis	-	0%	2,784,650	0%	12,365,039	0%
Grand Total	1,520,702,614	100%	1,809,519,838	100%	2,915,513,748	100%

3.12. END USERS OF THE PRODUCTS

The Company operates on Business to Customer, Business to Business and Business to Government Model. In Business to Customer model its products are distributed through Muller & Phipps Pakistan. In its Business-to-Business model it provides its products to well reputed private hospitals directly or through regional distributors and in its Business to Government model it provides pharmaceutical products to Government through tendering process.

The company actively participates in government tenders and as of June 30th 2024, Tenders for FY 2024 -2025, where company was successful or was awarded tender:

Name of the Institution	Awarded* (Rs.)	Successful** (Rs.)	Grand Total (Rs.)
Directorate General Procurement (Army)	121,489,880	-	121,489,880
Holy Family Hospital	-	4,156,000	4,156,000
PESSI	-	4,713,793	4,713,793
Lahore General Hospital	-	32,269,000	32,269,000
FMU Allied /DHQ Hospital	-	83,555,560	83,555,560

Children Hospital	-	10,148,000	10,148,000
Faisalabad Institute of Cardiology	-	42,721,425	42,721,425
Sheikh Zayed Hospital	-	85,871,500	85,871,500
Shaukat Khanum Memorial Cancer Hospital	5,335,600	-	5,335,600
Total	126,825,480	263,435,278	390,260,758

*Awarded means where the award letter has been issued.

**"Successful" means where the tender has been opened and company is declared successful but issuance of award letter is in process. Further, the Company expects to receive award letters against the successful tenders by Oct 2024.

Apart from the above, other few key government institutional customers are as follows:

1. DG Health Punjab
2. Mayo Hospital Lahore
3. Jinnah Hospital Lahore
4. DHQ Faisalabad
5. Punjab Employees Social Security Institution
6. Peshawar Institute of Cardiology - MTI, Peshawar
7. Sindh Institute of Urology & Transplantation (SIUT)
8. Ayub Teaching Hospital, Abbottabad
9. Nishtar Medical College & Hospital, Multan

Following is the breakup of sales channels from FY 2022 – 9MFY 2024:

S. No	Segment	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value
		FY 2022	FY 2022	FY 2023	FY 2023	9MFY 2024	9MFY 2024
1	Private Market sales	692	46 %	1,389	77 %	2,332	80 %
2	Institutional sales	357	24 %	379	21 %	543	19 %
3	Export	471	30 %	41	2 %	40	1 %
	Total Sales	1,520	100%	1,809	100%	2,915	100%

3.13. MARKETING ACTIVITY

BFBL has engaged a field force of three hundred (300) experienced sales and marketing professionals to grow and maintain its market share by directly reaching out to Healthcare Practitioners and institutional customers across Pakistan. The commercial teams are divided into different business units based on the product portfolio or the therapeutic class. The commercial team reports to the Director Commercial, who reports onwards to the Group Chief Commercial Officer. The commercial operations can be broadly bifurcated into three segments as shown below:

i. Private Market sales

Private market sales constitute 80% of the topline of the Company in 9M FY 2024, compare to 77% in FY 2023. This is primarily prescription business, where the sales force regularly visits the Healthcare Practitioners (HCP) for product reminder and scientific / disease updates. Being a patient centric company, BFBL regularly works on disease awareness through different programs in collaboration with HCP's and Healthcare institutions. In parallel, company also invests in the continued medical education (CME's) of the HCP to keep them updated with the latest developments in the respective disease area and offerings by the company in response to these developments. All the private market sales are made through national distributor i.e. **Muller & Phipps Pakistan**. In order to ensure stock availability in market, distributor maintains four weeks inventory and same is

replenished on monthly basis as per the forecast. All sales to the distributor are on advance basis except for new launches, where company grants credit for initial launch.

ii. Institutional sales

Institutional sales account for 19% of the top line for the 9MFY 2024 as compared to 21% for FY 2023. This includes sales to both government and certain private hospitals. Institutional sales start with the prequalification with the respective departments, after which company participates in the tendering process. Once the tender is awarded, company starts procurement process and supplies are made as per the term of the agreements with the concerned institution. The payment terms for government tenders are on credit and credit period varies from 45 days to 90 days. In some small regional institutions, the company uses services of institutional distributors for ease of business, in this case normally payment terms are 85% advance.

iii. Export

Currently, the Company is pursuing registrations in selected markets. Export sales constitute around 1% of the topline of the Company in 9M FY 2024, compared to 2% in FY 2023, which primarily represents sales made in **Nepal and Sri Lanka**, however in FY 2022 Exports were 31% of the topline primarily due to Covid 19 related sales. The decrease in export sales as a percentage of total revenue is mainly due to high proportion increase in local revenue stream. For export sales, the Company operates on a distribution model, wherein marketing rights are granted to designated distributors in each territory. Company possesses all the requisite logistic expertise relating to pharma exports and successfully exported medicines worth USD 6 million during COVID-19. The payment terms for export varies from 30 days to 120 days.

3.14. KEY COMPETITORS

Competitive landscape in the pharmaceutical industry varies due to diverse product portfolios, particularly within biotech firms. Key competitors along with the products they compete with BFBL is provided below:

S. No.	Name of Competitor	Product, Competitors and BFBL Brand
1	Abbott Laboratories	esomeprazole IV (Ezomol Abbot, Esomoga BFBL), Aciclovir (Acyclovir Abbot, Acylex BFBL)
2	Hoechst Pakistan Ltd	Enoxaparin Sodium (Cleaxane Sanofi, Noxane BFBL)
3	Sami Pharmaceuticals	Erythropoietin (Ropo Sami, Eritrogen BFBL) Filgrastim (Neofil Sami, Filgen BFBL)
4	Macter international Limited	Erythropoietin (Macepo Macter, Eritrogen BFBL), Etanercept (Momentum Macter, Eterna BFBL)
5	Getz Pharma	Terlipressin (Terlip Getz, Novapressin BFBL) Omeprazole IV (Risek Getz, Omega BFBL) Etanercept (Enercept Getz, Eterna BFBL) Insulin (Insuget Getz, Ferulin BFBL)
6	Searle Pakistan Limited	Filgrastim (Nexfil Searle, Filgen BFBL)

3.15. INTELLECTUAL PROPERTY RIGHTS

The table below provides a snapshot of trademark filings and regulatory statuses for various products associated with BFBL. This diligent management of trademarks and regulatory compliance underscores BFBL's commitment to product integrity, market readiness, and legal protection in the pharmaceutical industry.

Number	Trade Mark	Current Status	Application Date	Registration Date	Awarding Body
278358	BF Biosciences	TM-12 Filed	09 th Feb 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284976	Ferulin	TM-12 Filed	16 th Jun 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284978	INF	TM-12 Filed	18 th Jun 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284979	PEG-INF	TM-12 Filed	18 th Jun 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284980	Biomab	TM-12 Filed	18 th Jun 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284981	Rebion	TM-12 Filed	18 th Jun 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
284982	PEG Filgen	TM-12 Filed	18 th June 2010	17 th Apr 2013	Intellectual Property Organization of Pakistan
531792	Noxane	TM-12 Required	18 th Apr 2019	23 rd Jun 2023	Intellectual Property Organization of Pakistan
573409	Remidia	TM-12 Required	06 th Jul 2020	23 rd Jun 2023	Intellectual Property Organization of Pakistan
230496	Novapressin	TM-12 Required	18 th Dec 2006	18 th Dec 2016	Intellectual Property Organization of Pakistan
629655	Eterna	Certificate Awaiting	31 st Aug 2021	Pending	Intellectual Property Organization of Pakistan
629657	Meritus (Logo)	Certificate Awaiting	31 st Aug 2021	Pending	Intellectual Property Organization of Pakistan
629658	Filgen (Logo)	Reply Filed	31 st Aug 2021	Pending	Intellectual Property Organization of Pakistan
570472	Omega	Evidence Completed by both sides	09 th Jun 2020	Pending	Intellectual Property Organization of Pakistan
570809	Esomega	Evidence Completed by both sides	11 th Jun 2020	Pending	Intellectual Property Organization of Pakistan

3.16. DETAILS OF MATERIAL PROPERTY

The main production facility, situated at 5 KM Sunder Raiwind Road, Lahore, comprising of land, buildings, and plant & machinery, represents the company's primary property, with no other major holdings.

S. No.	Particulars	Ownership status	Date of Acquisition	Usage	Location	Total Area
1	5 KM Sunder Raiwind Road	Owned (Freehold)	8 th June 2016	Production Plant	Lahore	87,120 sq. feet (2 acres)

Further details on the manufacturing facility are provided in Section 3.8.

3.17. FUTURE PROSPECTS AND DEMAND OUTLOOK

3.17.1. Capitalizing on Demographics Dividend

By 2023, Pakistan's population reached 241.49 million¹¹. Pakistan is home to the world's sixth largest population with the crucial 15-64yr age bracket constituting 55.9%¹² of total population. According to the United Nations Development Programme's (UNDP) National Human Development Survey, 64% of the total population of Pakistan is below the age of 30 while 29%¹³ is between the ages of 15 and 29 years the world's highest proportion of young people. Up to 64 per cent of Pakistanis live in rural areas and 36 per cent in urban areas with average household size is 6.4 people, and literacy rate of 58.9%¹⁴.

The population growth rate of Pakistan is 2% which is almost double the global growth rate of 1%. Decrease in mortality rate from 84.3/1,000 births in 2000 to 55.6/1,000 births in 2019 and increasing average age from 62 in 1990 to 70 by 2020¹⁵ has resulted in more people reaching older age. Growing population, declining mortality rate and increasing average age necessitate the demand of a robust healthcare system thus serving as the fundamental basis for the growth of Pakistan's pharmaceuticals industry.

Pakistan faces record disease prevalence specifically in Diabetes, Cardiology and Chronic Kidney Disease (CKD) has an enormous potential to address the unmet patient needs. The existing manufacturing base of the company was very small, however post expansion, there will be a significant addition in the portfolio including insulin and other high-volume generic products.

Pakistan is categorized as a low to middle-income country and faces obstacles in providing widespread access to healthcare services for its population. Responding to this challenge and per the recommendation of the World Health Organization (WHO), the government adopted Universal Health Coverage (UHC) initiatives. With over 27 million families enrolled in the program across provinces by March 2022¹⁶, the extension of healthcare coverage is set to widen the customer base of the company. The Budget in Brief FY 2024-25 discloses that the government has allocated PKR 27 Bn for the Ministry of National Health Services and Regulations which represents an increase of 106% over PKR 13 Bn in 2023-2024¹⁷. As more families gain access to healthcare services through UHC programs, it is expected that demand for pharmaceutical products and services will accordingly rise. Additionally, the implementation of UHC programs opens doors for collaboration between the pharmaceutical industry and government health initiatives, potentially facilitating partnerships for the provision of essential drugs and medical supplies, as well as involvement in healthcare infrastructure development projects. The Company enjoys a good reputation within the government institutions and for FY 2024-25, the company has already secured major tender orders.

¹¹ <https://www.pbs.gov.pk/sites/default/files/population/2023/Press%20Release.pdf>

¹² <https://www.population-trends-asiapacific.org/data/PAK>

¹⁴ <https://www.ndu.edu.pk>

¹⁵ <https://reliefweb.int/report/pakistan/pakistan-2023-ifrc-network-country-plan-maapk002>

¹⁵ https://www.pacra.com/sector_research/PACRA%20Research%20-%20Pharmaceutical%20-%20May'21.pdf

¹⁶ https://www.researchgate.net/publication/361214863_Sehat_Sahulat_Program_A_Leap_into_the_Universal_Health_Coverage_in_Pakistan

¹⁸ https://www.finance.gov.pk/budget/Budget_2024_25/Budget_in_Brief.pdf

Please refer to section 3.12 for the tenders already awarded for the FY 2024-25.

The vaccines market heavily relies on government procurement and global immunization access programs. As such, BFBL's success in collaborating with government to provide vaccines such as Hecolin (Hepatitis E vaccine) highlights the importance of a collaborative partnership between BFBL and government entities to ensure the widespread availability and accessibility of essential vaccines to the population.

3.17.2. MNC's Exit

The recent exit of MNCs such as Eli Lilly, Pfizer, Sandoz, Bayer etc. creates a unique opening for local companies to rapidly expand their market share in the Pakistani retail pharma market. As per IQVIA data, retail pharma market in Pakistan is approximately valued at Rs. 850 billion, with a growth of 20% and four years CAGR standing at 17%. National companies hold 75% of the market while 25% share is with the MNCs. With MNCs holding only 25% of the market share, local businesses have ample room to capture the share left behind. By leveraging their understanding of local preferences, innovating in product offerings, and building on existing customer trust, BFBL can establish itself as a dominant player and drive further growth in the industry. BFBL is in negotiation with few potential partners for launch of select vaccines including Hepatitis B, Tetanus Toxoid etc. in a phased manner as a medium-term strategy.

3.17.3. Leveraging State-of-the-Art Facilities

The state-of-the-art brownfield expansion undertaken by the company will not only enhance its production capacity but will also open up avenues for toll manufacturing. BFBL is already in negotiations for toll manufacturing arrangements with prominent players in the industry. With the expansion, it can offer its advanced manufacturing facilities to more clients, potentially attracting even larger names in the industry seeking reliable and high-quality manufacturing partners. This expansion thus presents an opportunity for the company to diversify its revenue streams and strengthen its position as a key player in the sterile pharmaceutical manufacturing sector.

3.17.4. Enhanced Export Potential

Following the installation of Line II, BFBL's primary focus is obtaining certification from a Stringent Regulatory Authority (SRA), such as PIC/S. The usual time required to secure such certification typically ranges from 1.5 to 2 years. The company's newly installed plant, sourced from top European manufacturers, is designed to meet the latest guidelines, enhancing management's confidence regarding a smooth certification process. BFBL's strong track record in exporting medicines during the COVID pandemic, coupled with its positive rapport with regulators across fifteen-plus countries, positions it favorably for international expansion. Obtaining SRA certification will boost the company's ability to sell products abroad, opening up opportunities for reaching more customers and growing its business. In case the Company fails to achieve the above said certifications, the Company will explore other exporting destinations where there are less stringent regulations. However, keeping in view the Company's past track record, reputation earned during COVID-19, along with the quality of installed plant and machinery (which is being supplied by top-notch European countries, having credentials of exporting similar equipment to regulated markets), the chances of failure in obtaining such certifications becomes very remote.

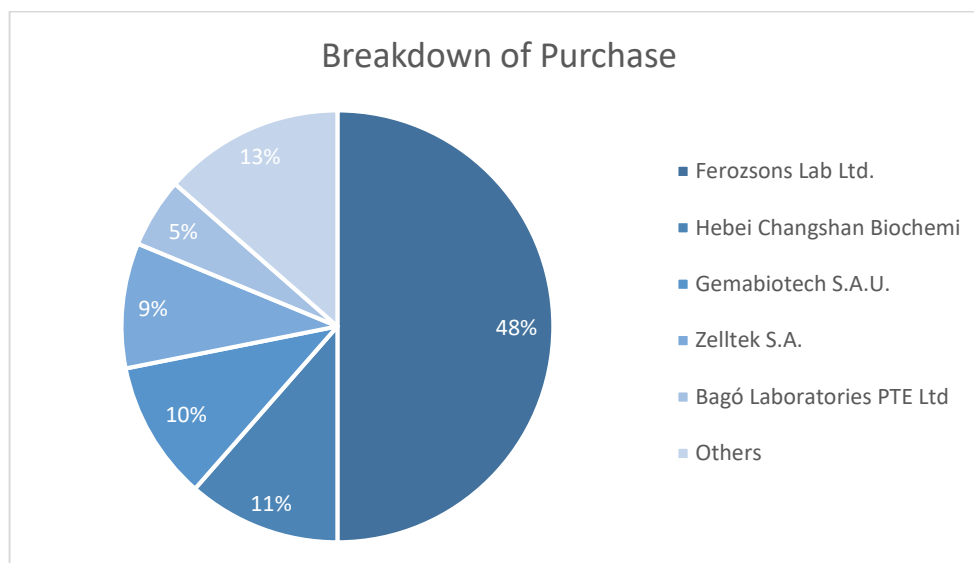
3.18. VENDORS TO THE ISSUER

Total raw material cost constituted 35% and 31% of the total cost of goods sold during FY 2023 and 9MFY 2024, respectively, compared to 40% in FY 2022. All of the raw and primary packing materials are being imported mainly from India, China, Europe, Latin America etc. whereas the secondary packing materials are sourced locally.

List of major vendors of the Company is provided below:

S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 9MFY 2024 (PKR Mn)	% of Total Purchases during 9MFY 2024
1	Ferozsons Laboratories Limited	Pakistan	Finished Goods (Voriconazole Oral, Azithromycin Oral & Suspension, Rifaximin Oral, Acyclovir Oral, Itraconazole Oral etc.)	187	28%	438	34%	577	48%
2	Hebei Changshan Biochemi	China	Active Pharmaceutical Ingredients (Enoxaparin & Heparin Sodium)	81	12%	62	5%	135	11%
3	Gemabiotech S.A.U.	Spain	Active Pharmaceutical Ingredients (Etanercept, Filgrastim etc.)	48	7%	162	12%	115	10%
4	Zelltek S.A.	Argentina	Active Pharmaceutical Ingredients (Erythropoietin etc.)	60	9%	111	9%	112	9%
5	Bagó Laboratories PTE Ltd	Argentina	Finished Goods (Paclitaxel, Docetaxel, Oxaliplatin etc.)	82	12%	77	6%	61	5%
6	West Pharmaceutical	United States	Packing Materials (Rubber Stoppers) etc.	10	2%	19	1%	37	3%
7	Shandong Wego Prefills Pharmaceutical Packing Ltd	China	Packing Materials (Vials etc.)	10	1%	224	17%	31	3%
8	BCN Peptides S.A.U.	Spain	Active Pharmaceutical Ingredients (Terlipressin etc.)	19	3%	73	6%	17	1%
9	Zydus Lifesciences Limited	India	Active Pharmaceutical Ingredients (Peg-filgrastim etc.)	-	0%	-	0%	12	1%
10	Aptar Stelmi SAS	France	Packing Materials (Rubber Stoppers etc.)	6	1%	7	1%	12	1%
11	Cangzhou Four Stars Glas	China	Packing Materials (Vials)	-	0%	18	1%	7	1%
12	Other Vendor Purchases			165	25%	112	9%	84	7%
			Total	668	100%	1,303	100%	1,200	100%

The breakdown of purchases made during 9MFY 2024 is illustrated in the figure below:



3.19. PROFILES OF VENDORS TO THE ISSUER

1. **Ferozsons Laboratories Limited (FLL):**

FLL is the parent company of BFBL with 80% shareholding. Ferozsons Laboratories Limited, headquartered in Pakistan, is a leading pharmaceutical company with a rich history of serving the healthcare needs of the region. The company specializes in the manufacturing and marketing of a diverse portfolio of pharmaceutical products, including branded generics and medical devices.

<https://ferozsons-labs.com>

2. **Hebei Changshan Biochemi:**

Headquartered in China, Hebei Changshan Biochemi specializes in the production of pharmaceutical intermediates and APIs (Active Pharmaceutical Ingredients). With a focus on research and development, the company caters to the pharmaceutical industry's needs for high-quality raw materials.

<http://en.hbcbio.com/>

3. **Gemabiotech S.A.U.:**

Gemabiotech S.A.U. is a biotechnology company based in Argentina. With a commitment to advancing scientific research in biotechnology and life sciences, the company engages in the development of novel therapeutics, diagnostics, and other biotechnological applications.

<http://www.gemabiotech.com/>

4. **Zelltek S.A.:**

Operating from Argentina, Zelltek S.A. is actively involved in the production and distribution of pharmaceuticals. The company focuses on manufacturing APIs or finished dosage forms, contributing to the healthcare sector's needs in the region.

<http://www.ptlc.org.ar/en/empresa/zelletk-s-a/>

5. **Bago Laboratories PTE Ltd:**

Bago Laboratories PTE Ltd is headquartered in Argentina and is engaged in pharmaceutical manufacturing or research and development activities. The company specializes in producing a wide range of pharmaceutical products to meet global healthcare demands.

<https://www.bago.com/en/>

6. **West Pharmaceutical:**

With its headquarters in the United States, West Pharmaceutical is a renowned global leader in providing innovative solutions for injectable drug administration. The company specializes in the design

and manufacture of drug delivery systems, including vial seals, syringe components, and drug packaging solutions.

<https://www.westpharma.com/>

7. Shandong Wego Prefills Pharmaceutical Packing Ltd:

Based in China, Shandong Wego Prefills Pharmaceutical Packing Ltd focuses on the production of prefilled syringes and other pharmaceutical packaging solutions. The company plays a crucial role in ensuring the safe and convenient administration of injectable medications.

<https://m.pharmasources.com/company-home/shandong-wego-prefills-pharmaceutical-pa-userId-1320.html>

8. BCN Peptides S.A.:

BCN Peptides S.A., located in Spain, is a leading provider of peptide-based products and services for the pharmaceutical and biotechnological industries. The company specializes in peptide synthesis, purification, and custom peptide manufacturing, catering to the evolving needs of the life sciences sector.

<https://www.bcnpeptides.com/>

9. Zydus Lifesciences Limited:

Zydus Lifesciences Limited, headquartered in India, is a prominent player in the pharmaceutical industry. The company is involved in the research, development, and manufacturing of a wide range of pharmaceutical products, including APIs, formulations, and biologics, contributing to global healthcare solutions.

<https://www.zyduslife.com/>

10. Aptar Stelmi SAS:

Based in France, Aptar Stelmi SAS specializes in the design and manufacturing of advanced drug delivery systems for injectable pharmaceuticals. The company's innovative solutions include sterile elastomeric closures and specialized delivery devices, ensuring the safe and effective administration of medications.

<https://www.aptar.com/>

11. Cangzhou Four Stars Glass:

Cangzhou Four Stars Glass operates from China and is engaged in the production of glass packaging solutions for pharmaceutical and other industries. The company manufactures a variety of glass containers, vials, and bottles, meeting the stringent quality standards of the healthcare sector.

<https://www.czsx.com/eindex.asp>

3.20. ALL GOVERNMENT AND OTHER APPROVALS WHICH ARE MATERIAL AND NECESSARY FOR CARRYING ON THE BUSINESS OF THE ISSUER

BFBL is in full compliance with requisite No Objection Certificates (“NOCs”), Consents and Approvals from related Government Entities and Regulatory Bodies. The company already has the requisite approvals including Drug Manufacturing License.

3.21. ASSOCIATED COMPANIES/UNDERTAKINGS

Name of Company	Nature of Business	Nature of Relationship	Details
Ferozsons Laboratories Limited	Pharmaceutical Company	Parent Company	Ferozsons holds 80% shareholding in BFBL.
Farmacia	Retailer of Pharmaceutical Products	Associated Undertaking (It is in Partnership Structure)	Ferozsons holds 98% shareholding, therefore, it is an associate of BFBL.

Name of Company	Nature of Business	Nature of Relationship	Details
Grupo Empresarial Bagó S.A.	Pharmaceutical Company	Non-Controlling Shareholder	Grupo Empresarial Bagó S.A. holds 20% shareholding in BFBL.
Bagó Laboratories Pte. Limited	Pharmaceutical Company	Associated Company	Grupo Empresarial Bagó S.A and Bago Laboratories Pte. Limited are associated, since Grupo Empresarial Bagó S.A holds 20% stake in BFBL, the said company has been mentioned as associated entity.
Khan & Piracha	Legal Advisory	Associated Company	Mrs. Amna Piracha Khan, Director on Board of BFBL is partner of the firm.
Packages Limited	Packing Materials and Tissue Papers	Common Directorship	Mr. Osman Khalid Waheed, Director on Board of BFBL is director on the Board of Packages Limited.
National Management Foundation	Educational Institute	Common Directorship	Mr. Osman Khalid Waheed, Director on Board of BFBL is trustee on the Board of National Management Foundation.
KFW Factors (Pvt.) Limited	Investment Company	Common Directorship	Mrs. Akhter Khalid Waheed and Mrs. Munize Azhar Peracha, Directors in the Board of BFBL are directors on the Board of KFW Factors (Pvt.) Limited.

3.22. DUTY STRUCTURE AND TARIFF

Duty tariff for key raw materials procured by the Company is outlined below:

Raw Material	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty	Sales Tax	Income Tax (Tariff)
Enoxaparin	3001.9000	0%	0%	0%	0%	1%	2%
Terlipressin	2937.1900	0%	0%	0%	0%	1%	2%
Etanercept	3002.4190	0%	0%	0%	0%	1%	5.5%
Filgrastim	2934.9990	0%	0%	0%	0%	1%	2%
Erythropoietin	2934.9990	0%	0%	0%	0%	1%	2%

Duty tariffs applicable on packaging materials procured are detailed as follows:

Packing Material	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty	Sales Tax	Income Tax (Tariff)
PFS Set	9018.3110	11.33%	6%	0%	17.33%	21%	5.5%
Glass Vials	7010.9000	11.88%	6%	20%	37.88%	18%	5.5%
Rubber Stopper	4016.9990	12.50%	4%	10%	26.50%	18%	5.5%

Following is the duty tariff for the imported finished products:

Item	HS Code	Custom Duty	Additional Custom Duty	Regulatory Duty	Total Duty	Sales Tax	Income Tax (Tariff)
Panataxel - 30mg/100mg/150 mg/300mg	3004.9099	0%	0%	0%	0%	4%	4%
Donataxel - 20mg/80mg	3004.9099	0%	0%	0%	0%	4%	4%

Hecolin 30 µg / 0.5 MI 1	3002.4190	0%	0%	0%	0%	4%	4%
Oxaltie - 50mg /100mg	3004.9099	0%	0%	0%	0%	4%	4%

3.23. RELATED PARTY TRANSACTIONS

Related party transactions are incurred in ordinary course of business only, and these are duly disclosed in financial statements. Transactions entered with related parties are as follows:

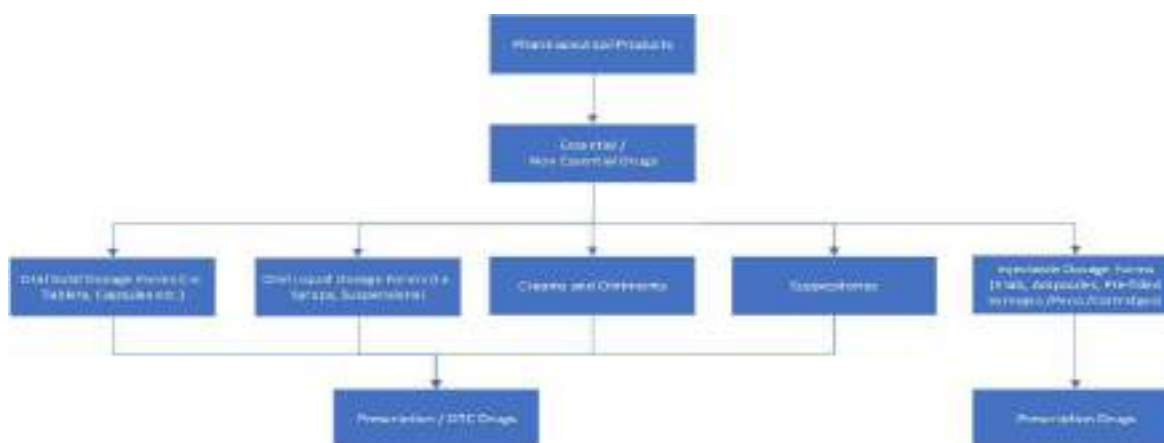
Name	Relationship	Nature	FY 2021	FY 2022	FY 2023	9MFY 2024
			(PKR Mn)	(PKR Mn)	(PKR Mn)	(PKR Mn)
Ferozsons Laboratories Limited	Parent Company	Purchase of medicine	59.4	186.8	437.9	577.8
		Payment made against purchase of medicine	59.4	186.8	437.9	577.8
		Short term borrowing extended by FLL	-	-	170.0	-
		Short term borrowing repaid to FLL	-	-	170.0	-
		Expenses incurred by the Company on behalf of FLL – net	8.9	-	46.1	49.0
		Receipts received from FLL – net	-	-	44.8	0.4
		Receipts received by the Company on behalf of FLL – net	-	0.25	1.3	48.7
		Sale of medicine - net of returns and- discounts	8.9	7.8	23.6	0.83
		Receipts received against sale of medicine	8.9	7.8	23.6	0.83
		Premium against corporate guarantee paid by FLL	3.5	7.0	7.0	5.3
		Payment made against premium on corporate guarantee	3.5	7.0	7.0	3.5
		Markup expense on short-term borrowing facility by FLL	-	-	0.95	-
		Payment made against markup expense on short-term borrowing facility by FLL	-	-	0.95	-

Name	Relationship	Nature	FY 2021	FY 2022	FY 2023	9MFY 2024
			(PKR Mn)	(PKR Mn)	(PKR Mn)	(PKR Mn)
		Expenses incurred by FLL on behalf of the Company – net	-	13.8	-	-
		Payments made to FLL - net	-	14.0	-	-
		Receipts received by FLL on behalf of the Company – net	4.1	-	-	-
		Receipts received from FLL - net	13.0	-	-	-
Farmacia	Associated Company	Sale of medicine - net of returns and discounts	211.5	139.7	126.9	145.8
		Payment received against sale of medicine	211.5	139.7	126.9	145.8
		Purchase of medicines	0.30	0.1	-	-
		Laboratory expenses	-	0.03	-	-
		Payment made against purchase of medicine/ expense	0.30	0.13	-	-
Grupo Empresarial Bagó S.A.	Non-Controlling Shareholder	Royalty expense	5.9	2.6	-	-
Bago Laboratories Pte. Limited	Associated Company	Purchase of medicine	64.2	81.8	77.0	59.9
		Payment made against purchase of medicine.	114.1	67.6	83.9	94.1
Employees Provident Fund	Post-employment benefit fund	Provident fund contribution	5.8	6.8	8.7	9.0
Khan & Piracha	Associated Company	Services received	1.0	-	-	-
		Payments made	1.0	-	-	-

All transactions with related parties are conducted at arm's length.

3.24. INDUSTRY OVERVIEW

The pharmaceutical sector plays a crucial role in global healthcare, impacting public health by researching, developing, manufacturing, and marketing medications. Generic or biosimilar formulations are produced in different dosage forms/ mediums to meet the wide array of medications designed to diagnose, prevent, treat and cure various medical conditions. These formulations can broadly be categorized as follows:

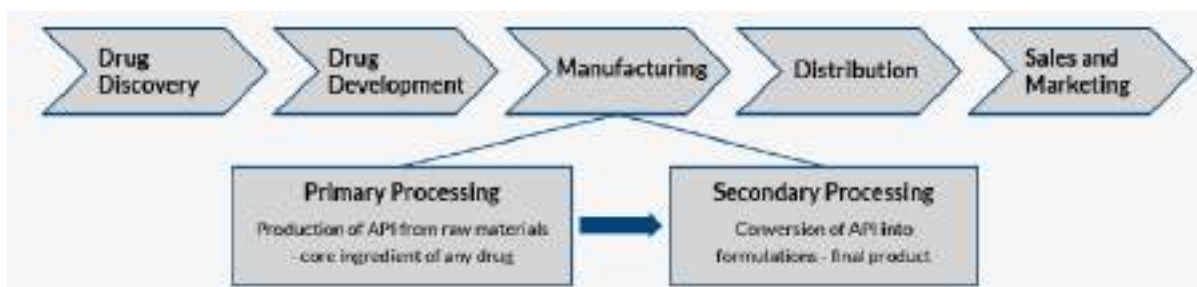


The pharmaceutical sector continues to thrive, propelled by its integral role in addressing global healthcare needs and improving patient outcomes.

3.24.1. Global Pharmaceutical Industry

Over the past two decades, the pharmaceutical market has witnessed substantial growth, with global pharma revenues reaching 1.6 trillion U.S. dollars in 2023, while oncology sales alone accounted for 99.5 billion USD.¹⁸

More than any other industry, the pharmaceutical sector is highly dependent on research and development, with companies investing around 20%¹⁹ or more of their sales revenues in R&D projects. This share can be much higher at companies that specialize in research and generate low sales. The discovery of new drugs is vital for the continued growth of pharma companies, and sales of new branded drugs can provide sizeable contributions to total revenues. The industry exhibits a two-tiered structure, where leading global firms dominate R&D investment and patent ownership, while smaller firms focus on manufacturing off-patent products or operate under patent licenses. Pharmaceutical companies specialize in generic, branded, branded generic, and over-the-counter drugs. Some firms also engage in contract development and manufacturing, providing end-to-end services from drug development to manufacturing for other companies. The typical supply chain followed worldwide is as follows:



Source: <https://docs.vis.com.pk/docs/PakistanPharmaceuticalSectorReport-Oct-2023.pdf>

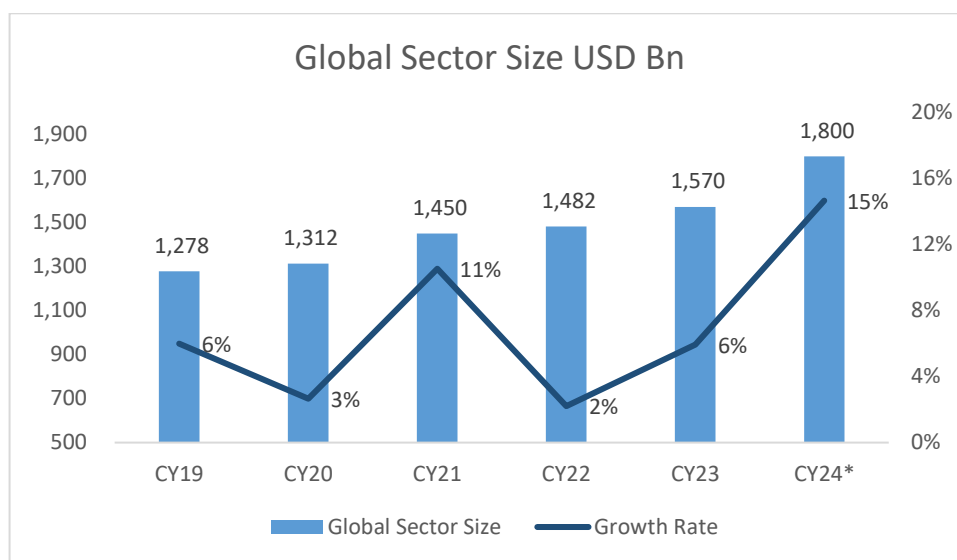
Soon after the COVID-19 pandemic, it became clear that without new therapies and particularly vaccines the world would be stuck in a permanent cycle of lockdowns and crises. Consequently, pharmaceutical companies came into the public’s focus, with the pressure to provide results quickly.

Several factors contribute to the growth of the pharmaceutical market. Firstly, demographic trends, such as aging populations and increasing life expectancy, drive higher demand for pharmaceutical products to address age-related health issues and chronic diseases. Additionally, rising healthcare expenditures, especially in emerging economies, support greater investment in healthcare infrastructure and pharmaceutical research and

¹⁸ <https://www.statista.com/topics/1764/global-pharmaceutical-industry/#topicOverview>

¹⁹ <https://www.statista.com/topics/1764/global-pharmaceutical-industry/>

development. Moreover, advancements in biotechnology, genomics, and personalized medicine are driving innovation in drug discovery and development, leading to the creation of more targeted and effective treatments. Furthermore, the increasing prevalence of lifestyle-related diseases, such as diabetes and cardiovascular disorders, creates sustained demand for pharmaceutical interventions and therapeutics. Overall, these growth factors contribute to the expansion of the pharmaceutical market globally. The industry is projected to exceed approximately USD 2.83 trillion by 2033. The pharmaceutical market is growing at a compound annual growth rate (CAGR) of 6.15% from 2024 to 2033^{20,21}



Source: IQVIA, PACRA, *Projected

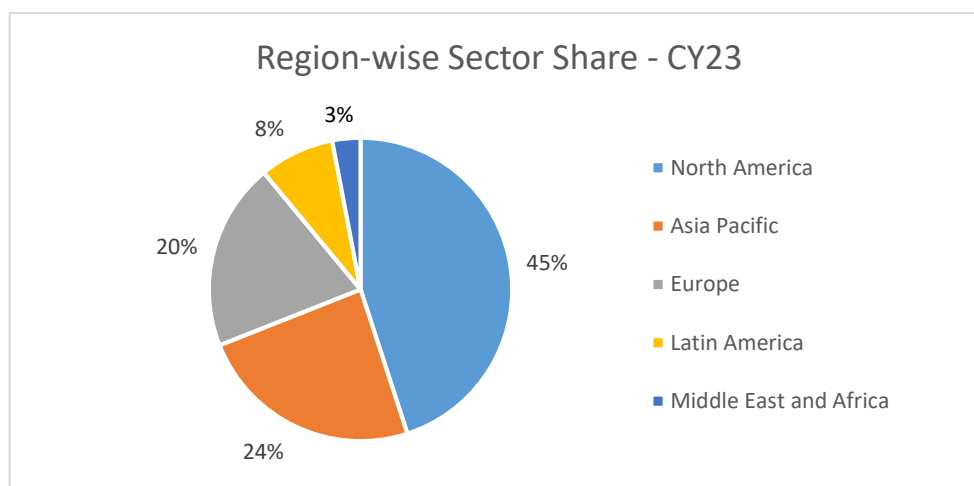
Regional Disparity:

While the global pharmaceutical industry has experienced rapid growth and emerged as one of the world's fastest-growing sectors, production and consumption remain unevenly distributed worldwide, with developed countries leading as both producers and consumers of pharmaceuticals. By 2025, the global market is anticipated to exceed USD 1.7 trillion, with the United States and China together commanding more than half of the market share. North America maintained its dominance in the global pharmaceutical sector in CY 2023, capturing approximately 45.3% of the market compared to 33.8% in the preceding year. This leadership position can be attributed to substantial healthcare spending and robust Research & Development capabilities. USA dominates in pharmaceutical market due to higher patient access to innovative medicines. Meanwhile, the Asia-Pacific region, encompassing countries such as China, Japan, and India, secured a market share of around 24.0% in CY 2023 up from 20.0% previously. Growth in this region is driven by rising incidences of chronic diseases and improved healthcare accessibility in rural areas. The Asia-Pacific region has retained its second position with a 24% market share in CY 2023. Latin America and the Middle East and Africa (MEA) has maintained 8% and 3% shares, respectively, of the global pharmaceutical market in CY 2023²².

²⁰ <https://www.visionresearchreports.com/report/sample/41230>

²¹ <https://www.visionresearchreports.com/report/sample/41230>

²² <https://docs.vis.com.pk/docs/PakistanPharmaceuticalSectorReport-Oct-2023.pdf>



Key Global Players:

The global industry is dominated by well-established companies, with the top 10 largest pharmaceutical firms (measured by revenue) accounting for approximately 39.0% of global revenue in CY 2023. Prominent global players in the pharmaceutical industry, along with their respective revenues, are outlined below:

Ranking	Company	CY 2022 ²³ USD (Bn)	CY 2023 ²³ USD (Bn)
1	Johnson & Johnson, USA	79.9	85.2
2	F. Hoffmann-La Roche Ltd, Switzerland	66.2	65.3
3	Merck & Co., USA	59.3	60.1
4	Pfizer Inc., USA	100.3	58.5
5	AbbVie Inc., USA	58.1	54.3
6	Sanofi-Aventis, France	45.2	46.5
7	AstraZeneca, United Kingdom	44.3	45.8
8	Novartis, Switzerland	42.2	45.4
9	Bristol Myers Squibb, USA	46.2	45.0
10	GlaxoSmithKline, USA	36.1	38.4

3.24.2. Pakistan Pharmaceutical Industry

The Pakistan Pharmaceuticals Industry contributes approximately 1% to the GDP of Pakistan²⁴. As per IQVIA, retail pharma market in Pakistan is approximately valued at PKR 850 billion, with a growth of 20% and four (4) years CAGR standing at 17%. National companies hold 75% of the market while 25% share is with the MNCs. In Pakistan, pharmaceutical industry is mainly focused on drug formulation rather than innovation. Pakistan's production of Active Pharmaceutical Ingredients (APIs) is extremely limited, with more than 85%²⁵ of the country's total domestic API demand being fulfilled through imports. The manufacturing and development of complex API molecules require advanced research and technology, which are scarce in Pakistan. This scarcity is partly due to the constraint that research and development costs cannot be transferred to consumers. The value chain of the Pakistan pharmaceutical sector is therefore as under:



Source: <https://docs.vis.com.pk/docs/PakistanPharmaceuticalSectorReport-Oct-2023.pdf>

²³ https://www.pacra.com/view/storage/app/Pharmaceuticals%20-%20PACRA%20Research%20-%20May%2724_1716980550.pdf

²⁴ <https://www.icap.org.pk/paib/pdf/guidelines/PharmaIndustry2ndEdition.pdf>

²⁵ https://www.pacra.com/view/storage/app/Pharmaceuticals%20-%20PACRA%20Research%20-%20May%2724_1716980550.pdf

Regulatory Environment:

The industry is characterized with strict regulations and controls on registration and pricing of medicines. The industry is regulated by Ministry of National Health Services Regulations & Coordination (NHSR&C) and the Drug Regulatory Authority of Pakistan (“DRAP”). All Pharmaceutical companies importing, manufacturing and selling drugs in Pakistan require license from the DRAP. These licenses are renewed every five (5) years. New drugs launched by pharmaceutical companies cannot be marketed until they are registered under the Drugs Act 1976, DRAP Act 2012 and prevailing laws.

From 2000 to 2013, the pharmaceutical industry in Pakistan experienced a regulatory price freeze. During this period, pharmaceutical companies were prohibited from raising the prices of medicines, despite the rising costs of production. This policy substantially reduced the profitability of the pharma sector and was a primary reason for the exit of many multinational corporations (MNCs).

Key aspects of DRAP’s functions includes:

A. Licenses and Renewals

DRAP’s licensing board oversees the registration and renewal of licenses relating to pharmaceutical companies in Pakistan, duly ensuring compliance with governmental regulations. These licenses, required for importing, manufacturing, and selling drugs, are renewed every five years.

B. New Drug Registration and Pricing Application

DRAP’s registration and pricing divisions duly manages the pharmaceutical companies’ applications relating to new products registrations and pricing matters, as prices of essential pharmaceutical drugs are regulated by DRAP. Annual price adjustments are contingent on the Consumer Price Index (CPI), with specific cap for essential drugs as per the Drugs Pricing Policy 2018.

C. Pricing and Inflation Management

DRAP’s pricing division also manages hardship price adjustment applications when the manufacturing costs of medicines become economically unviable for continued production by pharmaceutical companies. DRAP evaluates these hardship cases and may refer complex matters to the Federal Government for resolution within defined timelines.

Pricing Mechanism:

Pricing and Costing Under Drug Pricing Policy 2018	
Basis of Pricing	Drugs for human use shall be divided in two categories in terms of pricing in the country: (i) Drugs and biological on National Essential Medicines List (ii) All other drugs
Annual Adjustments in MRPs of Drugs	Essential Drugs: MRP Increase by 70% of CPI (Cap of 7%) Non-Essential Drugs*: MRP Increase by 100% of CPI (Cap of 10%)
Difference between Essential and Non-Essential Drugs	Essential medicines are those that satisfy the priority health care needs of the population and are classified on the National Essential Medicines list. Whereas Non-Essential medicines are those drugs that are not considered critical for the majority of the population's healthcare needs and does not falls under the National Essential Medicines List.
Low-Priced Drugs	Low-priced drugs are such that their MRPs are lower than the threshold prescribed by DRAP. MRPs of such drugs are to be increased equivalent to CPI every year, subject to conditions.

New Drugs	First Generic: MRP of drugs to be set at 30% less than the cost of the Originator brand, subject to conditions. In other cases, MRP fixed at prevailing highest MRP of Generic brand in the market
Hardship Cases	<p>Locally Manufactured Drugs: MRP = Cost x Factor **</p> <p>Imported Drugs: Trade Price= Landed Cost + mark up 45% (40% markup for anti-cancer, biological etc.)</p> <p>Partially Imported Drugs: Trade Price = Landed Cost + packaging cost + markup</p>

* De regulation of prices:

In recent months, the Federal Government deregulated the prices of non-essential drugs through SRO 228, allowing market competition as the primary means to set prices. This change augurs well for the industry's future financial health.

** The factor is elaborated below:

Category	Factor
All oral types of drugs (except antibiotics & birth control pills) and topical preparations	2.40
All types of oral antibiotics, antiviral, anti-fungal and anti-infective drugs	2.45
Sustained release tablet /capsule	2.95
All sterile preparations and birth control pills	2.95
Dispersible tablets	3.15
Anti-T.B. drugs	3.15
All aseptic preparations	3.55
Steroids and hormones	3.55

Local Sector Players:

Local sector players in the pharmaceutical industry are given below:

S. No.	Company	Headquartered
1	Getz Pharma	National
2	Sami Pharmaceutical	National
3	GlaxoSmithKline Pakistan	MNC
4	Abbott Laboratories Pakistan Ltd.	MNC
5	The Searle Company	National
6	Martin Dow Ltd.	National
7	Hilton	National
8	AGP Limited	National
9	Macter International Limited	National
10	Haleon Pakistan Ltd	MNC
11	Highnoon Laboratories Limited	National
12	Hoechst Pakistan Limited	National

Key Sector Information:

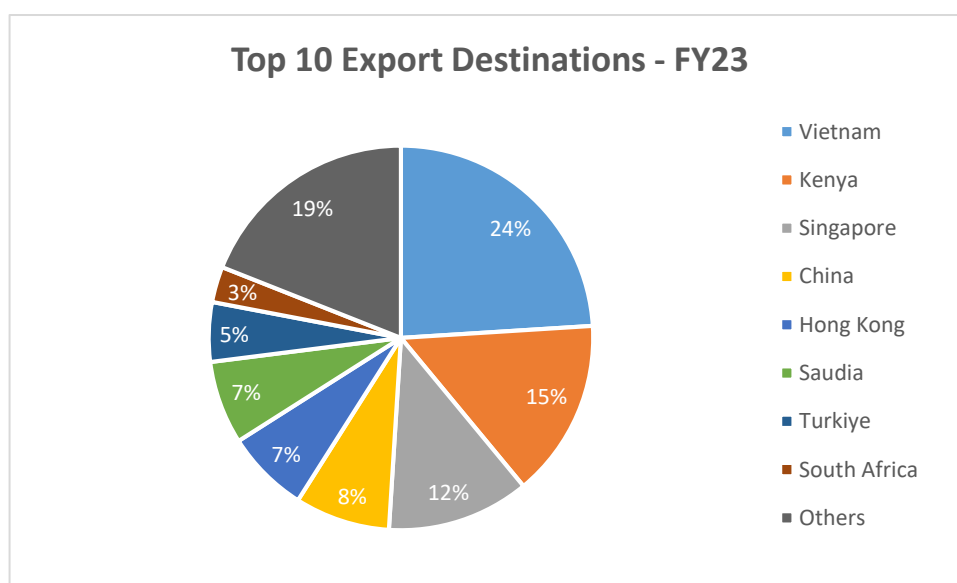
Pakistan's pharmaceutical market is experiencing a surge in demand for generic medicines due to their affordability and accessibility as shown below:

Particular	FY 2022 (PKR Bn)	FY 2023 ²⁶ (PKR Bn)
Gross Revenue	705	778
Raw Materials Imports	308	349
Exports	47	80
Contribution to GDP (%)	1%	1%

Export Potential:

With China and India shifting focus to the more value-added innovative pharmaceuticals, shrinking drug pipelines in developed countries, and a scramble to capture off-patent generic drugs, Pakistan can meet global demand for off-patent original block-bluster drugs in low & middle-income countries. In the short-run, there is an opportunity to strategically enter a market that will be worth USD 700 billion in branded generics and USD 381 billion in generics by 2025.²⁷ Key target markets include Africa, Central Asia, and Europe.

The following chart displays the primary export destinations:



²⁶ https://www.pacra.com/view/storage/app/Pharmaceuticals%20-%20PACRA%20Research%20-%20May%2724_1716980550.pdf

²⁷ <https://www.pbc.org.pk/research/unleashing-the-potential-of-pharmaceuticals-in-pakistan/>

3A SHARE CAPITAL AND RELATED MATTERS

3A (I) Share Capital

The current Share Capital of BFBL is as follows:

Current Issued & Paid-Up Capital	No. of Shares	Face Value Per Share (PKR)	Premium Per Share (PKR)	Total (PKR)
Authorized Capital				
Ordinary Shares	400,000,000	3	-	1,200,000,000
Issued, Subscribed & Paid-Up Capital				
Ordinary Shares of PKR 3/- each fully paid	63,333,334	3	-	190,000,002
Total	63,333,334	3	-	190,000,002
Shares held by Sponsors				
Ferozsons Laboratories Limited	50,666,667	3	-	152,000,001
Grupo Empresarial, Bagó	12,666,667	3	-	38,000,001
Sub Total	63,333,334	3	-	190,000,002
New Issue of Ordinary Shares				
New Shares Issuance through IPO	25,000,000	3	52.00	75,000,000
Post IPO Paid Up Capital				
Total Paid Up Capital Post IPO	88,333,334	3	1,300,000,000	265,000,002
Allocation of New Issue through IPO				
Allocations to Institutions / Individual Investors through Book Building process at Strike Price	18,750,000	3	52.00	1,031,250,000
General Public Portion	6,250,000	3	52.00	343,750,000
Total Issue Size	25,000,000	3	52.00	1,375,000,000

3A (ii) Sponsors Shares to be kept in Blocked Form

S. No.	Shares held by Sponsors	Particular	No. of Shares	Face Value (PKR)	Total Value (PKR)	% Post IPO Paid-Up Capital
1	Ferozsons Laboratories Limited	Sponsor	50,666,667	3	152,000,001	57.36%
2	Grupo Empresarial Bagó S.A.	Sponsor	12,666,667	3	38,000,001	14.34%

Note:

- As per regulation 5(1) of the PO Regulations, the sponsors of the Company shall retain their entire shareholding in the Company for a period of not less than twelve months from the last date for public subscription;
- As per regulation 5(2) of the PO Regulations, the sponsors of the Company shall retain not less than twenty-five percent of the post issue paid-up capital of the Company for not less than three financial years from the last date for the public subscription;
- As per regulation 5(3) of the PO Regulations, the shares of the sponsors mentioned at (1) and (2) above shall be kept unencumbered in a blocked account with central depository;
- Subject to compliance with sub-regulation 1 and 2 of regulation 5 of the PO Regulations and with the prior approval of the securities exchange, the sponsors of the Company may sell their shareholding through block-sale to any other person who shall be deemed sponsor for the purposes of the PO Regulations.

3A (iii) Present Issue

The entire IPO Issue of 25,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 55.00/- per share with a price band of 40% above the floor price which is PKR 77.00/- per share.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 18,750,000 shares and the remaining twenty-five percent (25%) i.e. 6,250,000 shares shall be offered to the retail investors. Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

3A (iv) Shares Issued in Preceding Years

No shares have been issued in the preceding last six years. However, in order to meet the minimum number of shares requirement as mentioned under Public Offering Regulations, the Company has split its ordinary shares from its existing par value of Rs. 10 each to Rs. 3 each. The details are tabulated below:

Existing Shares	Existing Par Value Per Share (Rs.)	Revised Shares	Revised Par Value Per Share (Rs.)
19,000,000	10	63,333,334	3

The company has undertaken a share split and established a par value of PKR 3.00/- per share for the following key reasons:

1. Regulatory Compliance:

The share split was necessary in order to meet the minimum number of shares requirement in Book Building. This regulatory compliance ensures that the company adheres to the Pakistan Stock Exchange (PSX) listing rules.

2. Enhancing Liquidity:

The share split is strategically implemented to increase the liquidity of the company's shares in the market. By reducing the par value and increasing the number of shares outstanding, the shares become more accessible to a diversified base of investors, thereby improving trading volume and liquidity.

3. Utilization of Reserves:

As of the balance sheet date, March 31st, 2024, the company holds reserves amounting to PKR 2,098 Mn. In order to reduce the breakup value per share and increase the number of shares, the Company took a share split instead of issuing bonus shares to the existing shareholders. Post IPO, the new shareholders will also share the reserves equally in proportion of their shareholding with the existing shareholders.

4. Benefitting New Shareholders:

Post-IPO, the new shareholders will benefit from the company's existing reserves. The share split does not diminish the value of these reserves but rather ensures that the benefits of these reserves are accessible to a larger number of shareholders post-IPO.

A share split, therefore, aligns with both market requirements and shareholder interests, as it balances regulatory compliance with the need to increase liquidity and ensure equitable benefits for all shareholders. The said share split arrangement has been made as on March 31st, 2024.

3A (v) Employee Stock Option Scheme

No employee stock options have been offered by BFBL.

3A (vi) Related Employees

- Related Employees of the Company are as follows:

S. No	Name	Designation
1	Mrs. Akhter Khalid Waheed	Chief Executive Officer
2	Mr. M Farhan Rafiq	Chief Operating Officer
3	Mr. Abdur Rehman	Chief Financial Officer and Company Secretary
4	Mr. Rashid Hussain	Director Commercial
5	Mr. Khurram Rafiq Ahmed	Director Plant Operations

- Related employees of the Lead Manager and Book Runner (**Arif Habib Limited**) are as follows:

S. No	Name	Designation
1	Mr. Shahid Ali Habib	Chief Executive Officer
2	Mr. Yousaf Bashir	Managing Director, Investment Banking
3	Mr. Farhan Rizvi	Director, Investment Banking
4	Mr. Hamza Rehan	Associate, Investment Banking
5	Mr. Raheel Ahmed	Associate, Investment Banking
6	Mr. Saif Ul Haq	Analyst, Investment Banking
7	Mr. Ali Raza	Analyst, Investment Banking
8	Mr. Faizan Qureshi	Analyst, Investment Banking
9	Mr. Naveed Said	Analyst, Investment Banking
10	Mr. Usama Hanif	Analyst, Investment Banking

Note:

- As per regulation 7(9) of the PO Regulations the associates of the Lead Manager and the Book Runner shall not in aggregate make bids in excess of ten (10%) percent of the shares offered through Book Building. Provided that it shall not apply to such associates of the Lead Manager and the Book Runner that are Financial Institutions, Mutual Funds and Insurance companies
- As required under regulation 20(10) of the PO Regulations, Related Employees of the Issuer, Lead Manager/Consultant to the Issue and Book Runner to the Issue shall not participate in the bidding for shares.

UNDERTAKING OF THE SPONSORS OF THE ISSUER REGARDING IPO UTILIZATION

E-STAMP



ID : **PB-LHR-7A171F180AB3208E**
 Type : **Low Denomination**
 Amount : **Rs 100/-**



Scan for online verification



Description : CERTIFICATE OR OTHER DOCUMENT - 19
 Applicant : Ferozsons Laboratories Limited [00000-0000000-0]
 Representative From : Ferozsons Laboratories Limited
 Agent : Naveed Ahmad [35102-3342318-1]
 Address : 5-km, Sundar Raiwind Road, Lahore, Pakistan
 Issue Date : 22-Jul-2024 10:16:02 AM
 Delisted On/Validity : 29-Jul-2024
 Amount in Words : One Hundred Rupees Only
 Reason : Undertaking
 Vendor Information : Najam ul hassan | PB-LHR-967 | Raiwind



نوٹ: یہ فراہم کردہ تاریخ اجرا پر سات دنوں تک آئی ٹی قابل استعمال ہے۔ اس اسٹامپ کی تصدیقی بارہویہ ویب سائٹ: www.ferozsons.com کوڈ یا ایس ایم ایس سے کی جا سکتی ہے۔
 Type "eStamp <16 digit eStamp Number>" send to 8100

Pakistan Stock Exchange
 Stock Exchange Building
 Stock Exchange Road
 Karachi – 74000, Pakistan

UNDERTAKING

We, Ferozsons Laboratories Limited and Grupo Empresarial Bagó S.A., being sponsors of BF Biosciences Limited holding NTN 0657289-8, having registered office at 197-A, The Mall, Rawalpindi, do hereby state on solemn affirmation as under:

- (1) That we are the sponsors and majority shareholders/owners of the shares of BF Biosciences Limited (the "Issuer");
- (2) That the IPO Proceeds of BF Biosciences Limited shall be utilized as per the purpose disclosed in the Prospectus.

Osman Khalid Waheed
 Chief Executive Officer
 Ferozsons Laboratories Limited

Sebastian Martin Ferrarassi
 General Manager
 Grupo Empresarial Bagó S.A.

Date: 24 July 2024



4. PRINCIPAL PURPOSE OF THE ISSUE AND FUNDING ARRANGEMENTS

4.1. Principal Purpose of the Issue

In order to continue meeting the growing demand of pharmaceutical products, the Company aims to issue new equity with 25,000,000 new shares at the Floor Price of PKR 55.00/- per share raising a total of PKR 1,375,000,000. The IPO proceeds will be used to finance the purchase of plant & machinery to enhance process efficiencies and broaden product base, acquire export certifications such as PIC/S and SRA and new product development including Glucagon-like Peptide (GLP1) and finance working capital requirements for purchase of raw and packing materials to meet post-expansion working capital needs.

The capacity of the plant pre and post expansion is outlined below:

Fill Size	Line I Capacity * (Units)	Current Capacity Utilization	Line II Capacity * (Units)	Expected Capacity Utilization	Total Capacity* (Units)	Total Capacity Utilization
Liquid Filling Line - Daily Capacity:						
2 ML	45,000	100%	192,000	40%	237,000	51%
30 ML	4,500	100%	50,000	40%	54,500	45%
Lyophilizer Line - Daily Capacity						
2 ML	17,000	100%	200,000	40%	217,000	45%
30 ML	4,500	100%	50,000	40%	54,500	45%
Pre-filled Syringes - Daily Capacity						
0.5 ML	15,000	100%	50,000	40%	65,000	54%

* The capacities are based on standard vial sizes, however, based on the manufacturing process, these may vary from product to product. Further, the utilization is calculated as per the forecasted sales volumes, market size and related parameters of targeted products.

Soon after the commencement of Line II operations, the company is targeting PIC/S certification after which it will be aggressively exploring export markets. BFBL is actively pursuing new registrations and plans to initiate exports to non-PIC/S countries.

The Pharmaceutical Inspection Co-operation Scheme (PIC/S) is a non-binding, informal co-operative arrangement between Regulatory Authorities in the field of Good Manufacturing Practice (GMP) of medicinal products for human or veterinary use. The list of PIC/S member countries can be accessed at: <https://picscheme.org/en/members>. Furthermore, the guidelines for registration with PIC/S can be accessed at: <https://picscheme.org/en/publications?tri=gmp#zone>

4.2. Project Cost

The detailed Project cost is given in table below along with its financing plan;

Particulars	Amount (PKR Mn)	%
Project Cost:		
Purchase of Plant and Machinery to Enhance Process Efficiencies and Broaden Product Base	560	41%
Obtaining Export related Certifications (PIC/S / SRA) and New Product Development Including Glucagon-like Peptide (GLP1)	141	10%
Working Capital for the Purchase of Raw and Packing Materials to Meet the Post Expansion Working Capital Needs	674	49%
Total Project Cost	1,375	100%

4.3. Sources of Funds

The Company plans to raise PKR 1,375 Mn through an Initial Public Offering (IPO).

4.3.1. Utilization of IPO Proceeds

The IPO proceeds will primarily be used to purchase plant & machinery to expand the product range and improve efficiency, acquire export certifications such as PIC/S and SRA and new product development including Glucagon-like Peptide (GLP1) and finance working capital requirements for purchase of raw and packing materials to meet post-expansion working capital needs. The table below shows how the Issuer plans the utilization of PKR 1,375 Mn capital raised through IPO at the Floor Price of 55.00/- per share.

S. No	Proceeds Utilization	Amounts (PKR Mn)	%
1	Purchase of Plant and Machinery to Enhance Process Efficiencies and Broaden Product Base	560	41%
2	Obtaining Export related Certifications (PIC/S / SRA) and New Product Development Including Glucagon-like Peptide (GLP1)	141	10%
3	Working Capital for the Purchase of Raw and Packing Materials to Meet the Post Expansion Working Capital Needs	674	49%
	Total	1,375	100%

Any additional funds raised above the floor price shall be utilized by the Company in managing its additional CAPEX (i.e. Purchase of Cartridge Suspension System) and working capital needs, which has been explained in section 4.5 as well.

4.3.2. Additional Disclosures Relating to Purpose of the Issue

4.3.2.1. Details of Plant and Machinery including Duties and Installation costs

Total plant and machinery cost for the project amounts to PKR 560.38 Mn, whereas the duties amount to PKR 92.84 Mn. The table below shows the detail of Plant and Machinery** to be delivered using IPO proceeds:

Particulars	Plant and Machinery Cost (PKR Mn)	Duties & Other (PKR Mn)	Total Cost (PKR Mn)	%
Plant and Machinery – To be Purchased using IPO Proceeds	467.54	92.84	560.38	100%
Total	467.54	92.84	560.38	100%

Following are the details of plant and machinery to be delivered which will be financed through IPO proceeds:

Name	Expected Supplier and Origin	Useful Life	Expected Order Date	Expected Supply Date	Amount in Foreign Currency	Amount in PKR Mn	Duties, Taxes & Other Charges in PKR Mn	Total Cost PKR Mn *	% Of Each Machine Cost to Total CAPEX	% Of Plant Delivered	Order Status
Inspection Machines	M/S Brevett, Italy OR M/S Truking, China	20 years	Q3 FY 25	Q1 FY 26	Euro 275,000	96.25	19.74	115.99	21%	0%	100% Order Pending

Name	Expected Supplier and Origin	Useful Life	Expected Order Date	Expected Supply Date	Amount in Foreign Currency	Amount in PKR Mn	Duties, Taxes & Other Charges in PKR Mn	Total Cost PKR Mn *	% Of Each Machine Cost to Total CAPEX	% Of Plant Delivered	Order Status
PFS Machine Cartidge System	M/S Syntegon, Germany	20 years	Q3 FY 25	Q1 FY 2C6	Euro 300,000	105.00	21.54	126.54	23%	0%	100% Order Pending
Change Parts – Filling Machine	M/S Central Engineering, Pakistan	20 years	Q1 FY 25	Q4 FY 25	N/A	30.00	5.10	35.10	6%	0%	100% Order Placed
Quality Control Equipment	M/S Shimadzu PTE, Singapore	15 years	Q2 FY 25	Q4 FY 25	USD 110,000	35.75	7.33	43.08	8%	0%	100% Order Placed
Formulation Vessel & UPS	To Be Decided	20 years	Q3 FY 25	Q1 FY 26	Euro 300,000	105.00	21.54	126.54	22%	0%	100% Order Pending
Walk through Gates	M/S Hi Worth Engineering, Pakistan	20 years	Q2 FY 25	Q4 FY 25	N/A	7.50	1.27	8.77	2%	0%	100% Order Pending
Stability Chambers	M/S Instruemends, Pakistan	20 years	Q4 FY 24	Q2 FY 25	N/A	6.00	1.02	7.02	1%	0%	85% Order Placed
Filling Line System Upgradation for Line I	M/S Bausch + Strobel, Germany	20 years	Q2 FY 25	Q4 FY 25	Euro 110,000	38.50	7.90	46.40	8%	0%	100% Order Pending
Installation / Contingency – 10%	Multiple	15 - 20 years	Q2 FY 25	Q1 FY 26	N/A	43.54	7.40	50.94	9%	0%	100% Order Pending
Total						467.54	92.84	560.38			

* The Company has used exchange rate of Rs. 325 for USD and Rs. 350 for Euro while computing the CAPEX requirements.

** As discussed above, the purchase of plant and machinery is being made for enhancing process efficiencies and broaden product range. Further, the planned CAPEX is primarily for Line II, except for few items, which are for Line I. These includes change parts for filling machine, filling line system upgradation and formulation vessels and accounts for 36% of the total planned CAPEX. Further, the equipment planned for Line II e.g. inspection machines, stability chambers etc. can also be used interchangeably for both lines.

4.3.2.2. Details of Export Related Certifications and New Product Development Including Glucagon-like Peptide (GLP1)

The total cost of obtaining export related certifications and new product development including Glucagon-like Peptide (GLP1) sums to PKR 140.80 Mn. Details are tabulated below;

S. No.	Particulars	Issuing Authority	Expected Application Date	Expected Approval Date	Amounts (PKR Mn)	%
1	SRA, PIC/S Certifications, Bio-Similarities and New Product Development Including Glucagon-like Peptide (GLP1) *	Pharmaceutical Inspection Co-operation Scheme & Others	Q2 FY 25	Q4 FY 26	128.00	91%
2	Contingency – 10%				12.80	9%
	Total				140.80	100%

* The Company is evaluating PIC/S from Ukraine or Turkey OR MHRA UK along with bio similarities from Indonesia. These certifications are necessary for exporting in regulated markets and if Company is able to secure the certifications, this will make the products more accessible in the regulated markets. The details of PIC/S member countries can be accessed at <https://picscheme.org/en/members>.

Further, the Company is in process of developing Tirzepatide – a Glucagon-like Peptide (GLP1) and in case the global market shifts from Semaglutide to Tirzepatide, the Company will have sufficient pipeline to support the growth.

4.3.2.3. Background Factors Leading to a Need for Working Capital

In 2020, the Company decided to expand its manufacturing capabilities by installation of second cGMP compliant plant i.e. Line II. The initial total project cost was Rs. 2,900 million and was financed through a mix of debt and convertible loan. The details of initial project costs are as follows:

Sr. No.	Category	Project Costs (PKR Mn)
1	Civil Works	475
2	Plant and Machinery	2,425
	Total Project Costs	2,900

The debt component of the financing was raised through State Bank of Pakistan' Temporary Economic Refinance Facility, whereas convertible loan was obtained from M/S Karandaz Pakistan ("Karandaz") at a fixed rate of 3% per annum and for a tenor of 7 years. As per the terms of the agreement, Karandaz had the option to convert 50% of the loan into equity.

However, during the financial crisis of 2022, Karandaz's board opted to curtail equity exposure in Pakistan and lapsed their conversion option back in December 2022. Accordingly, the loan continued at a fixed term loan.

The Company took various steps to hedge against volatility in project costs, including remitting advances to various foreign suppliers in range of 30% to 40% at average USD / PKR rate of 155. The details of costs escalations incurred in reference to initial project costs are tabulated below:

Particulars	Initial Project Cost (PKR Mn)	Revised Project Cost (PKR Mn)	Cost Escalations (PKR Mn)	Cost Escalations - %
Civil Works	475	800	325	68%
Plant & Machinery	2,425	3,200	775	32%
Grand Total	2,900	4,000	1,100	38%

The details of category wise costs escalations are as follows:

Civil Works:

- One of the major factors contributing to cost escalations was increase in prices of main building materials (i.e. cement and steel). The increase in cement and steel prices significantly impacted the cost of civil works. Upon start of the project, the cement price per bag was Rs. 610 and steel price per ton was Rs. 130,000 per ton. However, prices of cement per bag and steel per ton were increased to Rs. 1,100 and Rs. 206,000 respectively, which resulted in escalation of 80% costs of cement and 59% cost of steel.
- Apart from the above, scope of civil works was also slightly amended to address future growth needs by construction of additional floor having a covered area of 22,000 Sq ft at a cost of Rs. 150 million.

Plant and Machinery:

- USD/PKR parity at the start of the project and establishment of letter of credits was Rs. 153/USD. As discussed above, the Company remitted advance payments to its main OEM suppliers in range of 30% to 40% as well. However, at the time of payment of remaining contractual obligations, PKR depreciated approx. 100 %, which had a cumulative impact of Rs. 600 million. It is pertinent to mention that the Company was protected against the full brunt of PKR depreciation by making advance remittances to key OEM suppliers.
- In addition to the above, the company also purchased additional plant and machinery including a formulation vessel system, with an overall impact of Rs. 175 million.

Other factors contributing to cost escalations:

Due to shortage of electronic chips during covid-19 pandemic, the Company's main line manufacturers declared force majeure situations. Resultantly, delivery timelines were extended from 12 months to 24 months.

Further, the impact of the Russia-Ukraine war on the European supply chain, together with political instability in the country also impacted the commissioning timelines. The country experienced a major forex liquidity crunch and financial institutions suspended imports other than essential products (i.e. oil, food, medicines etc.).

Impact on Funds Reserved for Working Capital Management:

Despite of all challenges, the Company managed to secure all plant and machinery on its site and achieved commissioning within the least possible time.

However, in order to manage the financing gap relating to costs escalations, primarily stemming from non-conversion of Karandaaz's convertible loan, PKR depreciation and delay in inflow of economic benefits from Line II COD, these were all managed through Company's internally generated cashflows and partially from loan proceeds from Karandaaz. The Company didn't opt for additional long-term debt financing for managing escalations as interest rates were prevailing at historically high levels.

As per the agreement with Karandaaz for financing facility of Rs. 835 million, the terms allowed the Company to utilize Rs. 350 million interchangeably for CAPEX or working capital requirements. Given the project requirements at that time, the Company decided to allocate these funds for CAPEX for prioritizing its expansion completion instead of reserving the same for post-expansion working capital requirements.

As of March 31st, 2024, the company's gearing ratio stands at 55% whereas EBTIDA/Interest for the 9 months period stood at 5.50x, reflecting the balance of debt and equity after the substantial expansion project initiated in 2020. As stated earlier, the initial total project cost of Rs. 2,900 million, financed through a mix of debt and a convertible loan from Karandaaz Pakistan, was significantly impacted by cost escalations. The project, which involved the installation of a second cGMP compliant plant, saw its total cost rise to Rs. 4,000 million due to factors such as increased material costs, currency depreciation, and delays caused by global events. The debt component was raised through the State Bank of Pakistan's Temporary Economic Refinance Facility and a

convertible loan from Karandaaz, which had an option for conversion into equity. However, in December 2022, Karandaaz opted to forgo this conversion option due to a strategic shift, resulting in the loan continuing as a fixed term debt, at a fixed rate of 3% per annum and for a tenor of 7 years. This decision has exposed the company to potential refinancing risks. If these loans are refinanced under a higher interest rate regime, the company's gearing ratio could substantially increase, leading to higher finance costs and an elevated risk profile.

In light of the recent expansion, there has been a significant boost in production capacities across various lines. To support these enhanced capacities and ensure smooth financial operations post-expansion, additional funds are required to cover the escalated working capital needs.

Through the said IPO proceeds of Rs. 673.82 million, the Company will eventually recoup its working capital facility amounting to Rs. 350 million which has been utilized for project CAPEX taken from Karandaaz along with the remaining funds. By recouping the Karandaaz loan, the Company is not going to repay these funds to Karandaaz but will utilize the same for the working capital requirements. It will enable the company to optimize its capital structure, reduce reliance on debt and provide the flexibility needed for future financing opportunities, thereby ensuring financial stability and supporting continued growth. These funds shall be used to purchase raw and packing materials by the Company, which will allow it to achieve its desired post-expansion topline. Additional working capital requirements shall be either financed from debt-based arrangements or through incremental IPO proceeds as explained in below section.

The utilization breakup is also tabulated below for reference:

Sr. No.	Particulars	Amount (Rs. Mn)
1	Raw Materials	625
2	Packing Materials	49
	Grand Total	674

4.4. Implementation Schedule

The timeline for the expansion project is tabulated as below;

S. No	Particular	Start Date	Completion/ Approval Date	Status
1	Purchase of Plant and Machinery to Enhance Process Efficiencies and Broaden Product Base	Q1 FY 2025	Q1 FY 2026	Shortlisting of suppliers along with quotations have been arranged. Formal purchase orders shall be issued upon realization of IPO proceeds.
2	Obtaining Export related Certifications (PIC/S / SRA) and New Product Development Including Glucagon-like Peptide (GLP1)	Q2 FY 2025	Q4 FY 2026	The Company is in process of finalizing the consultants and related formalities. Furthermore, development lot of latest GLP1 has been ordered as well.
3	Working Capital for the Purchase of Raw and Packing Materials to Meet the Post Expansion Working Capital Needs	Q1 FY 2025	Q4 FY 2025	The recent expansion significantly increased the company's production capacities, raising daily output across various lines, and necessitates additional working capital to manage the higher operational demands.

4.5. Utilization of Excess IPO funds, in case the Strike Price is Determined above the Floor

If the strike price is determined to be above the floor price of PKR 55.00/-, any excess funds raised shall be utilized by the company to further support the additional working capital needs arising from the expansion and cartridge suspension system, as shown below:

Utilization	@ Floor Price of PKR 55.0/-	@ 10% above Floor Price	@ 20% above Floor Price	@ 30% above Floor Price	@ 40% above Floor Price
Working Capital	-	137,500,000	275,000,000	275,000,000	412,500,000
Cartridge Suspension System	-	-	-	137,500,000	137,500,000
Total		137,500,000	275,000,000	412,500,000	550,000,000

4.5.1. Undertaking on Reporting of Utilization of Proceeds

As per clause (l) and (ii) of regulation 16 of the PO Regulations, the Company shall:

1. report detailed break-up of the utilization of the proceeds of the issue in its post issue quarterly / half-yearly and annual accounts; till the fulfillment of the commitments mentioned in the prospectus, and;
2. submit a half yearly progress report and annual progress report reviewed by the auditor providing the status of the commitments mentioned in the prospectus to PSX till the fulfillment of the commitments mentioned in the prospectus as per the format given in regulation 16 of the PO Regulations.
3. submit a final report reviewed by the auditor after the fulfillment of the commitments given in the prospectus.

4A VALUATION SECTION

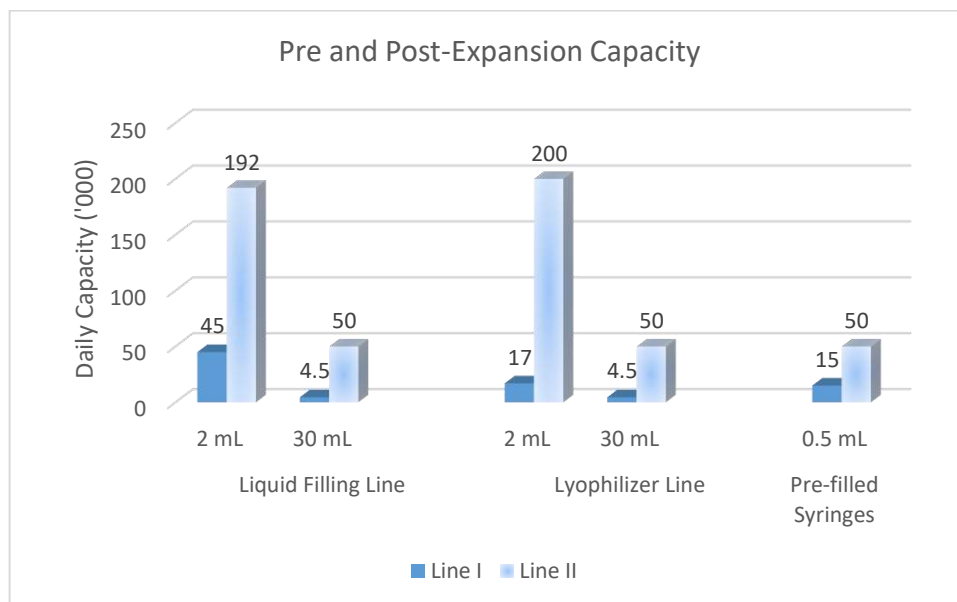
The Ordinary Shares of BFBL are being issued at Floor Price of PKR 55.00/- per share which is at a premium of PKR 52.00/- per ordinary share to the face value of PKR 3.00/- per ordinary share. The Lead Manager has reviewed the business performance of the Company and in their opinion the Floor Price of PKR 55.00/- per share is justified based on:

4A (i) Crafting a Legacy of Operational Success

Established in 2006 through collaboration between Ferozsons Laboratories Limited and Grupo Empresarial Bagó S.A., BF Biosciences Limited (BFBL) swiftly established itself as a pioneer in biotech pharmaceuticals in Pakistan. Initially reliant on imports from Bagó, BFBL transitioned to local production by 2009, focusing notably on hepatitis and oncology treatments to significantly reduce dependency on imported pharmaceuticals. Despite challenges posed by the advent of oral therapies such as "Sovaldi" for Hepatitis C, BFBL adapted its product portfolio and in 2020 secured a pivotal license from Gilead Sciences, Inc. to manufacture Remdesivir under the Global Patient Solutions program. This initiative proved instrumental during the COVID-19 pandemic, benefiting over 100,000 patients and contributing approximately PKR 2 billion in sales. The Company is also recipient of PESA award for export of Remdesivir in the year 2021.

In response to growing market demands, BFBL embarked on an ambitious expansion project "Line II." This initiative aims to strengthen BFBL's production capabilities. "Line II" incorporates cutting-edge technologies including a state-of-the-art pre-filled syringes line, a 42 square meter lyophilizer, a combi filling line, and supplementary ancillary equipment. These enhancements are geared towards augmenting BFBL's capacity to manufacture a diverse array of biological and non-biological pharmaceuticals, including vaccines in fill/finish form.

The details of capacity of the plants are illustrated in the figure below:

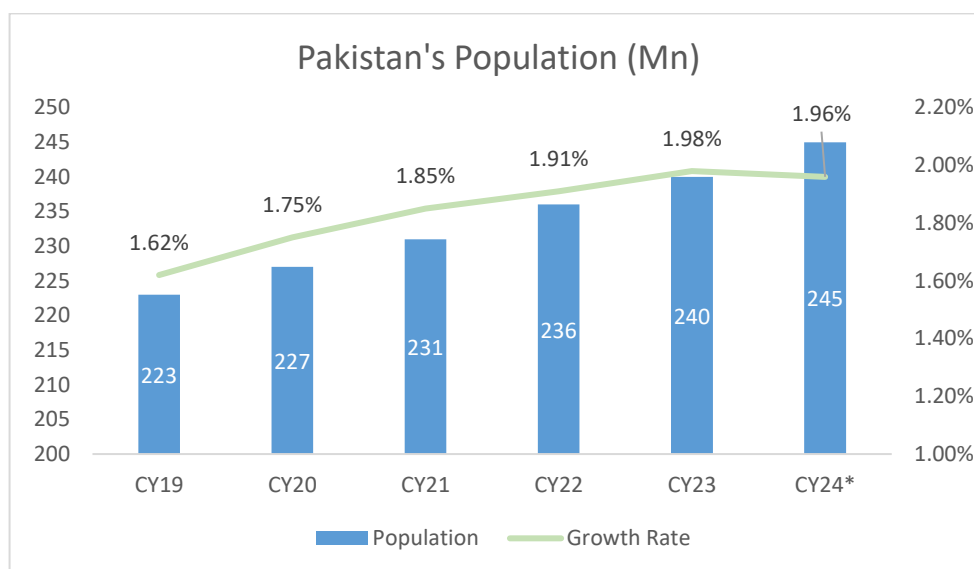


Strategically, BFBL has optimized its operational efficiencies by implementing multiple shifts on its existing Line I to meet current demands while preparing for the imminent rollout of products from "Line II." This proactive stance underscores BFBL's commitment to sustaining growth and expanding its market footprint across therapeutic domains encompassing nephrology, cardiology, gastroenterology, and oncology.

Through its ongoing investments in advanced manufacturing infrastructure, BF Biosciences Limited continues to bolster its standing as a pioneer in Pakistan's pharmaceutical landscape.

4A (ii) Favorable Industry Momentum

Pakistan's population in 2023 stood at 241.49 Mn²⁸. The population growth rate of Pakistan is 2% which is almost double of the global growth rate of 1%. Decrease in mortality rate from 84.3/1,000 births in 2000 to 55.6/1,000 births in 2019 and increasing average age from 62 in 1990 to 70 by 2020²⁹ has resulted in more people reaching older age and hence increasing the demand of robust healthcare system.



Source: <https://www.macrotrends.net/>

Due to rising population and increasing health issues, especially during the pandemic, the demand for pharmaceutical products remains stable. Unaffected by harsh economic conditions, pharmaceutical industry is considered recession resistant.

Empowered by favorable government policies and health initiatives such as Universal Health Coverage Program and DRAP's Priority Review and Accelerated Approval of Registration or Market Authorization, local manufacturers are growing amid rising demand fueled by population growth, increasing chronic diseases, infrastructure investments, technological advancements, evolving care models, and expanding healthcare systems in developing markets.

4A (iii) Solid Product Portfolio and State-of-the-Art Facility

BF Biosciences Limited is a pioneer biopharmaceutical manufacturer in Pakistan, having a strong portfolio of biosimilars including products like Erythropoietin, Terlipressin, and Filgrastim. The market sizes and dynamics of all products have been discussed in detail under section 3.11. Last year, the company launched a biosimilar of Sanofi's Clexane (Enoxaparin Sodium) under the brand name Noxane, and in the first 7 months of launch the product crossed 200 million in revenues. This successful launch of Enoxaparin reflects the confidence of the market in the quality of BF Biosciences products. The Company enjoys leadership positions in various brands such as pegylated interferons (Peg-INF), with 100% market share and terlipressin acetate (Novapressin) with 70% market share.

The company was the only Pakistani recipient of tech transfer for Covid 19 antiviral Remdesivir from the innovator, an important achievement for the state-of-the-art facility of the Company. Recently, on 14th August 2024, the Company launched human insulin under the brand name of Ferulin and there is a wide gap in the insulin market, which the Company is confident to address. The company also has a promising pipeline, including Semaglutide, a novel GLP-1 inhibitor for the treatment of diabetes, Heparin Sodium and Tirzepatide. The Drug

²⁸ <https://www.pbs.gov.pk/sites/default/files/population/2023/Press%20Release.pdf>

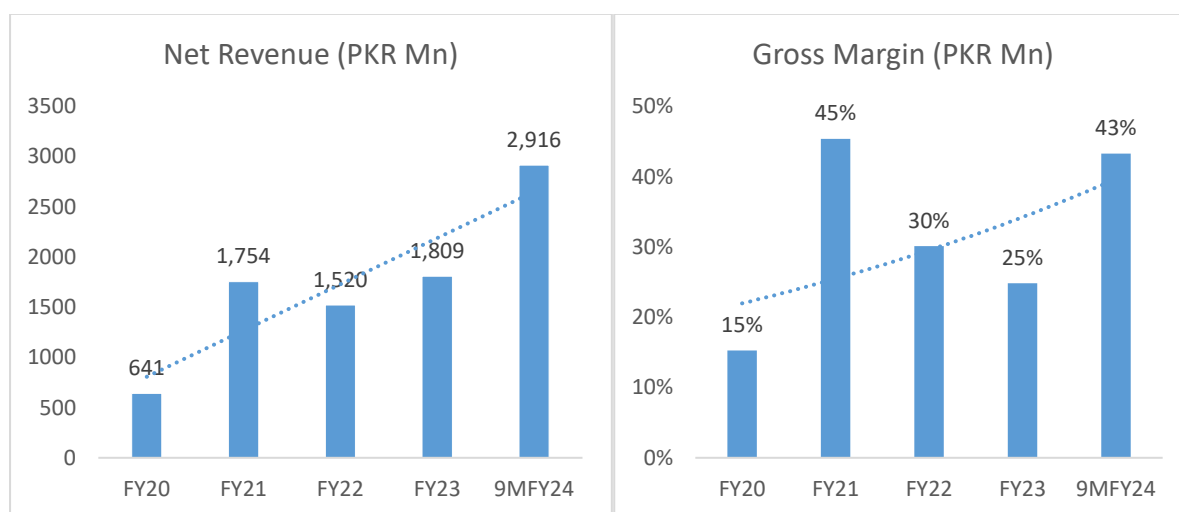
²⁶ https://www.pacra.com/sector_research/Pharmaceuticals%20-%20PACRA%20Research%20-%20May'23_1684416292.pdf

regulatory authority of Pakistan (DRAP) has also approved nine additional molecules for the new facility in the 336 meeting of Drug Registration Board (DRB). These new molecules also carry significant potential to augment the top line of the company, details of which have been mentioned in the products section 3.11.

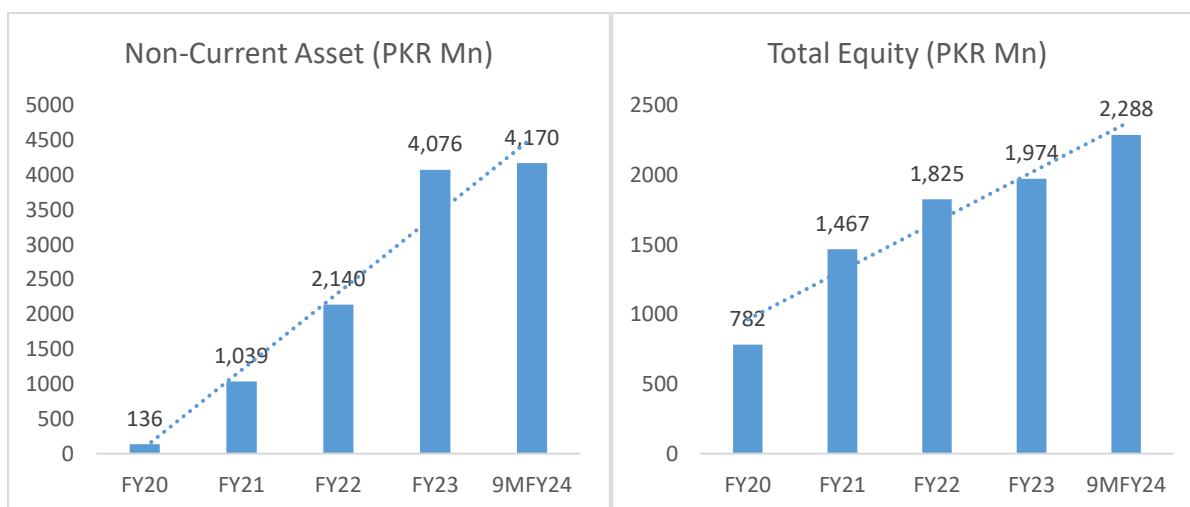
4A (iv) Robust Financial Performance

During the current financial year, the Company showed impressive growth. Revenue increased by 146% to PKR 2,915 million in 9MFY24 compared to PKR 1,185 million in 9MFY23. BFBL’s net profit recorded a growth of 243% increasing to PKR 314 million in 9MFY24 from 92 million in 9MFY23. Going forward, the revenue is expected to grow as the Company plans to introduce new products in the market and expand to other geographies.

Margins	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Gross Margin	(3%)	15%	45%	30%	25%	43%
Operating Margin	(12%)	10%	38%	27%	20%	21%
EBITDA Margin	(6%)	13%	40%	29%	22%	22%
Net Margin	(10%)	7%	35%	20%	8%	11%
Revenue Growth	-	43%	174%	(13%)	19%	146%
Net Profit Growth	-	204%	1191%	(49%)	(51%)	243%
Return on equity (%)	(6%)	6%	41%	17%	8%	14%
Return on assets (%)	(5%)	4%	20%	7%	3%	5%



BFBL’s operational success is attributed to its expansive manufacturing infrastructure. The company has continuously invested in state-of-the-art manufacturing facilities, leading to an increase in its non-current assets from PKR 136 Mn in FY 2020 to PKR 4,170 Mn in 9MFY 2024. Regarding profitability, significant growth in the company’s bottom line has driven strong internal cash flow generation, boosting its equity from PKR 782 Mn in FY 2020 to PKR 2,288 Mn in 9MFY 2024. The company generated operational casflow of PKR 637 Mn in 9MFY 2024.



4A (v) Strong National and International Affiliation

As a subsidiary of Ferozsons Laboratories Limited, BFBL can leverage the expertise of its parent company in the local market. Additionally, BFBL's affiliation with the Bagó Group of Argentina allows it to expand internationally and access previously untapped export markets.

4A (vi) Operational Matrix & Control Environment

The company has adequate mitigation plans through internal control system. The company has recently implemented SAP S4 HANA to ensure smooth operations and system risks are properly mitigated through disaster recovery plan. S4 HANA is the latest version of SAP currently available in the market and is widely used by multinationals and pharma companies.

4A (vii) Corporate Governance

As a subsidiary of a listed company, BFBL adheres to most of the requirements outlined in the Code of Corporate Governance. However, formal compliance and the corresponding compliance report will become applicable following enlistment. The Board also has an observer appointed by Karandaaz Pakistan as per the term sheet of the loan sanctioned to the company.

4A (viii) Experienced Management

Led by Mrs. Akhter Khalid Waheed, Mr. Farhan Rafiq and Mr. Abdur Rehman, each of the management staff has suitable educational qualification and relevant experience in their areas of expertise. The staff is hired through a well-defined recruitment process. Please also refer to Section 7.4 for profile of key management staff.

4A (ix) Accreditations & Awards

BFBL is ISO 9001:2015, ISO 14001:2015 and ISO 45001:2018 certified. The Company is locally GMP certified by DRAP and also hold GMP certification of Uganda and Kenya. Further GMP inspections by Health Yemen and FDA Ghana were conducted recently and certifications are awaited.

The state-of-the-art manufacturing facility been designed and installed by Telstar Projects, one of Europe's leading pharmaceutical design and engineering companies, in compliance with EU and USDFA requirements. All plant and equipment have been procured from global industry leaders, including Bausch & Strobel, Syntegon,

Steris Finn Aqua, Telstar and Celester. The manufacturing facility including sampling and dispensing areas has been validated by the Spanish Validation Company “SVS” in compliance with EMEA standards.

The Company is also recipient of PESA award for export of Remdesivir in year 2021.

4A (x) Justification for Floor Price

During the current financial year, BF Biosciences Limited (BFBL) has demonstrated remarkable growth across its financial metrics. The company's revenue surged by 146%, reaching PKR 2,915 million in 9MFY24 compared to PKR 1,185 million in 9MFY23. This growth trajectory is underscored by a robust 4-year compounded annual growth rate (CAGR) of 42%, escalating from PKR 448 million in FY19 to PKR 1,809 million in FY23. Similarly, BFBL's net profit soared by 243%, climbing to PKR 314 million in 9MFY24 from PKR 92 million in 9MFY23, with a commendable 3-year CAGR of 47% from FY20 to FY23.

BFBL attributes its operational success to strategic investments in state-of-the-art manufacturing facilities, evidenced by a substantial increase in non-current assets from PKR 136 million in FY20 to PKR 4,170 million in 9MFY24. This expansion in infrastructure will not only bolstered production capacity but also enhanced efficiency across its product lines. Moreover, the company's prudent financial management and strong internal cash flow generation have significantly augmented its equity, growing from PKR 782 Mn in FY20 to PKR 2,288 Mn in 9MFY24.

Looking ahead, BFBL is well positioned for continued growth as it plans to introduce new products into the market and expand its geographical footprint. This strategic direction aligns with the company's commitment to sustain its upward trajectory, capitalize on emerging opportunities and deliver value to its stakeholders.

Based on our review, the Lead Manager is of the opinion that the company's unwavering commitment to operational excellence, coupled with favorable dynamics within the pharmaceutical industry, historical performance of the Company, diversified clientele segments, strong national and international affiliations with key local and international players and the surging demand for its products indicates sustainability of business performance in the future which justifies the Floor price of PKR 55.00/-per share.

The Company is offering a Price-to-Earnings (“PE”) multiple of 9.38x at Floor Price of PKR 55.00/- per Ordinary Share based on the TTM earnings as of 31st March 2024 compared to industry average of 20.34 times and KSE-100 P/E of 4.44, while the Price to Book Value ratio of 1.52 times as at 31st March 2024 compared to industry average of 3.03 times.

4A (xi) Post IPO Free Float Disclosure

Post IPO, the number of issued shares will increase from 63,333,334 Ordinary Shares to 88,333,334 Ordinary Shares. The free float status post IPO is presented in the below table:

Description	Number of Shares	% Shareholding Status	Total Free Float
Existing Shareholders			
Ferozsons Laboratories Limited	50,666,667	57.36%	
Grupo Empresarial, Bagó	12,666,667	14.34%	
Public Offering	25,000,000	28.30%	28.30%
Total	88,333,334	100%	28.30%

4A (xii) Peer Group Analysis

Comparable peers are defined in terms of the similar nature of products and services offered by the Company, similar revenues and profits, and target market etc. BFBL's Floor Price of PKR 55.00/- per share, based on annual earnings for Trailing Twelve Months (TTM), translates to a trailing price to earnings (P/E) multiple of 9.38 times

as compared to industry average of 20.34 times. Similarly, price to book value (P/B) multiple based on 9 Months FY 2024 book value translates into P/B multiple of 1.52 times as compared to industry average of 3.03 times.

Company	EPS (TTM)	Gross Profit Margin ³⁰	Net Profit Margin ³¹	BVPS	MVPS ³²	P/E ³³	P/B ³⁴	ROE (LTM)	ROA (LTM)	Free Float (Shares) ³⁵	Free Float %
Highnoon Labs. Ltd*	51.01	49.52%	13.09%	179.46	698.82	13.70	3.89	31.23%	21.13%	23,842,513	45.00%
Haleon Pak. Ltd*	21.83	26.89%	7.58%	84.54	412.19	18.88	4.88	29.63%	12.96%	15,697,208	13.41%
AGP Ltd.*	5.27	44.66%	9.02%	38.87	98.57	18.70	2.54	14.06%	8.84%	84,000,000	30.00%
Hoechst Pak. Ltd.*	184.05	27.44%	7.20%	622.94	1950.0	10.59	3.13	33.72%	14.91%	964,476	10.00%
Citi Pharma Ltd.**	3.53	12.12%	6.17%	24.00	34.54	9.79	1.44	15.06%	7.84%	79,961,420	35.00%
Macter Int. Ltd.**	7.74	41.00%	5.15%	68.26	111.50	14.40	1.63	11.97%	7.05%	16,033,856	35.00%
IBL Healthcare Ltd.**	2.59	34.69%	5.29%	26.72	31.36	12.10	1.17	10.10%	6.25%	21,418,691	25.00%
Abbott Lab. Pak. Ltd.*	32.70	23.80%	5.30%	209.82	731.95	22.38	3.49	17.31%	8.88%	21,098,617	21.55%
Ferozsans Lab. Ltd.**	5.43	28.99%	1.56%	150.80	299.08	55.13	1.98	3.66%	2.13%	17,387,621	40.00%
GlaxoSmith Kline Pak. Ltd.*	7.46	12.25%	4.65%	73.26	163.38	21.91	2.23	10.78%	5.97%	63,693,456	20.00%
Otsuka Pak. Ltd.*	(0.39)	18.24%	(0.15%)	58.08	131.90	N/A	2.27	(0.72%)	(0.21%)	1,815,000	15.00%
The Searle Co. Ltd.**	(0.44)	46.00%	(0.95%)	62.54	57.44	N/A	0.92	(0.76%)	(0.43%)	255,747,212	50.00%
Sector Average						20.34	3.03				
Sector Median						14.05	2.25				
KSE-100						4.44 ³⁶	0.91 ³⁷				
BFBL (Pre-issue)	5.87	40.35%	10.49%	36.13	55.00	9.38	1.52	17.67%	6.30%	25,000,000	28.30%
BFBL (Post-issue)						13.08	1.33				

* Based on June 30th, 2024 financial results

** Based on March 31st, 2024 financial statements

³⁰ LTM Gross Profit Margin

³¹ LTM Net Profit Margin

³² Closing price is at 6th September 2024

³³ P/E is at 6th September 2024 (Market Capitalization / TTM Profit After Tax)

³⁴ P/B is at 6th September 2024 (Market Capitalization / Total Equity)

³⁵ Free Float as at 6th September 2024

³⁶ KSE-100 P/E TTM is at 31st March 2024

³⁷ KSE-100 P/B as at 31st March 2024

5. RISK FACTORS

5.1. INTERNAL RISKS

5.1.1. Operational Risk

Operational risk arises due to failure of internal processes, employee frauds or unethical practices and risk arising due to failure of information systems, leading to operational disruptions. Operational disruptions may lead to delays or inefficiencies. Regulatory and legal consequences may result from compliance failures, leading to fines and increased oversight. The company has adequate mitigation plan through internal control system.

5.1.2. Fuel and Power Risk

Sterile manufacturing operations are highly dependent on the continuous availability of fuel and power. In some cases, like for lyophilized products the manufacturing process varies from 24 hours to 72 hours, in these cases any disruption in the utilities can expose the company to risk of loss. Prolonged disruptions in fuel supply and any increase in fuel cost can affect the profitability of the company.

5.1.3. Vendor and Customers Concentration Risk

In the first nine months of FY 2024, BFBL sourced 78% of its total purchases from its top four vendors [refer to section 3.4 (1)] which includes 48% from Ferozsons Laboratories Limited (FLL), 11% from Hebei Changshan Biochemical, 10% from Gemabiotech S.A.U, and 9% from Zelltek S.A. Relying on a limited number of suppliers increases the vulnerability to supply disruptions, potential cost volatility, and challenges in negotiating favorable terms. Operational disruptions and financial instability in key vendors can lead to production delays and financial setbacks. Furthermore, in line with the industry's practices, the Company has one main distributor, Muller & Phipps, for distribution of its products to retail chemists. These sales comprise 69% of total sales during the first nine months of FY 2024. Operational disruptions and financial instability in main distributor can hamper the company's topline and financial position.

5.1.4. Negative Operating Cashflows Risk

Cash flow risk refers to the uncertainty associated with future cash inflows. This risk impacts companies' ability to generate sufficient cash flow to meet operational needs, invest in growth opportunities, and service debt. In order to mitigate cashflow risk, the company has adequate strategies which include cash flow planning, future product pipelines etc. The company's cash flow from operating activities was negative in FY 2023 due to its investments in working capital, anticipating high topline growth in the following year and the depreciation of PKR. Therefore, a one-time stock investment was undertaken to ensure successful growth in revenue and to maintain optimal inventory levels. Negative cash flows can result in the need for additional financing at higher interest rates, which can strain the company's profitability.

Particular (PKR Mn)	FY19	FY20	FY21	FY22	FY23	9MFY24
Cash Flow from Operating Activities	(55)	(20)	570	178	(196)	637

5.1.5. Gearing Risk

Gearing risk refers to the potential financial risk that arises from high debt in the capital structure.

As of 31st March 2024, the long-term debt of the company stands at PKR 2,562 Mn while short term borrowings are PKR 231 Mn. Long term debt is used to finance the brown field expansion of the company while short term debt was used to finance the operations. Any adverse movement in the interest rate will adversely impact the profitability of the company. Long term financing is primarily locked on lower rates, however, the volatility in interest rates can hamper the working capital finance costs which will ultimately impact the bottom line.

Particular (PKR Mn)	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
Gearing Ratio %	3%	1%	74%	118%	164%	122%
Total Equity	735	782	1,467	1,825	1,974	2,288
Total Borrowing	20	7	1,091	2,151	3,236	2,793

5.1.6. Risk of Price Escalation in Planned CAPEX

The total cost of Rs 1,375 million, which includes Rs 560 million for plant and machinery, Rs 141 million for obtaining export-related certifications and new product development, and Rs 674 million for working capital, is based on management estimates, available quotations, and industry experience. Going forward, there could be potential change in planned capex due to revision in prices. If actual expenses exceed these estimates, it could result in unforeseen delays and financial challenges.

5.1.7. Non-Compliance with SECP and PSX Regulations

In the event of non-compliance with any regulatory requirements of SECP or PSX, the Company may be placed on the Non-Compliant Segment of PSX which may potentially hamper trading in the Company's shares leading up to potential suspension in the trading and can also lead to delisting.

5.2. EXTERNAL RISKS

5.2.1. Macro-Economic Factors (Interest Rates, Energy Prices Hike)

Macro-economic factors such as exchange rate fluctuations, interest rates, inflation, and energy price hikes pose significant risks, as any adverse impacts cannot be directly passed on to the end consumer, and will ultimately impact margins of the Company. High interest rates increase the company's finance costs while high inflation leads to increased factory overheads, administrative expenses, and selling expenses. The hike in energy prices directly impacts overheads, as the plant is primarily powered by the national grid and backup diesel generators.

Political and security risks remain an important source of macro risk in the country and has an important bearing on the overall business environment. Any prolonged political deadlock/turmoil would negatively impact the macro-economic outlook and could hurt the performance of the pharma sector including BFBL.

5.2.2. Adverse Exchange Rate Movement

Since majority of the Company's purchases are linked with foreign currency and any adverse movement in the exchange rates will directly impact the margins of the Company.

5.2.3. Counterparty/Credit Risk

Counterparty risk refers to the potential financial and operational risks that another party in a contractual agreement might fail to fulfill its contractual obligations. BFBL participates in government tendering and faces specific risks associated with the government entity or agency issuing the tender. Economic challenges or fiscal mismanagement within the government entity can increase the risk of payment delays or contract disputes. The delay in payment will lead to higher utilization of working capital lines, which will impact the margins of the Company. As of balance sheet date, receivables amount to Rs. 231 million (net of expected credit loss provision). In past, there have been no major customers default events.

5.2.4. Risk of Restriction on opening LCs / Materials Procurement Risk

The limitation on opening Letters of Credit (LCs) may pose several risks for businesses involved in international trade. Given the prevailing macro-economic conditions, there may be constraints in booking LCs which could delay the import of a plant and raw materials for a planned expansion and may impact on the Company's future potential profitability along with project's cost runs.

5.2.5. Supply Chain Risks

Any disruption in supply chain will directly impact the procurement of raw materials since all the Active Pharmaceutical Ingredients (APIs) and vials are imported. Any shortage in the supply of APIs due to unforeseeable situation or global economic slowdown might disrupt the supply and increase the cost of raw materials, thereby affecting the operations and profitability of the Company.

5.2.6. Adverse Taxation Measures / Duties Structure on Import

Adverse taxation measures and changes in the duties structure on imports significantly impact the input costs of products, as these costs cannot be directly passed on to the end consumer as product prices are regulated by the Drug Regulatory Authority of Pakistan. These increases will ultimately impact the margins of the Company. The current duty structure applicable to the Company has been explained in section 3.22.

5.2.7. Delays in Registration of New Products and Annual Price Increase by DRAP

Delays in the registration of new products by the Drug Regulatory Authority of Pakistan can hamper the company's ability to bring new products, including those addressing new treatment landscapes, to market in a timely manner. This ultimately impacts patients' interests. DRAP also fixes the Maximum Retail Price (MRP) of all essential medicines marketed in Pakistan and the annual price increase for essential medicines is allowed by DRAP as per drug pricing policy. There is a risk that if DRAP delays the price increase, the Company may not be able to absorb inflationary pressures. Furthermore, the registration of Heparin Sodium and Semaglutide have been approved in the Drug Registration Board meeting, however, registration letters are awaited.

5.2.8. Delay in Implementation of Expansion Plan (Line II)

The commissioning of the expansion project may get delayed due to any unforeseen reasons; however, BF Biosciences management is keen to have expansion plan implemented in given timelines. Any resulting delays could adversely impact the earnings and future cashflows of the Issuer.

5.2.9. Risks of Delay in Procurement of Plant & Machinery and Attaining Export Certifications

Due to unforeseeable reasons, there is a risk that additional plant & machinery and export certifications may not be procured/attained on time, which will impact the future revenue stream of the Company.

5.2.10. Risk of Counterfeit Products

The prevalence of counterfeit pharmaceutical products is a significant threat to the industry, compromising patient safety and damaging brand reputation. Counterfeit drugs often lead to treatment failures, adverse health outcomes, and a loss of consumer trust in legitimate pharmaceutical brands. This risk may expose the Company to reputational damage in market, which will in turn impact the financial performance of the Company.

5.2.11. Dividend Risk

Long term debt from Habib Bank Limited under SBP Temporary Economic Refinance Facility (TERF) includes a customary clause that requires the Company to obtain prior consent from the bank before making any dividend payments.

5.2.12. Threat of New Entrants

New companies entering the market can increase competition, potentially leading to pressure on profit margins. These new players might also introduce innovative technologies or treatments, disrupting established market dynamics and capturing market share. As a result, existing pharmaceutical companies may face competition, which can impact their market position and revenue.

5.2.13. Demand Risk

Demand risk may arise due to multiple factors including availability of alternate treatment options, pricing parity of the competition, new product launches by competitors etc. The demand risk may adversely impact the sale of the Company's products and financial performance as well.

5.2.14. Credit Risk

Credit risk arises when the Company is unable to recover its receivables due in normal course of business. The risk is remote since the Company usually operates on advance cash basis model and have customers with good credit rating. Further, the ageing of receivables are as follows:

Description	FY 2022 Amount (PKR)	FY 2023 Amount (PKR)	9MFY 2024 Amount (PKR)
Up to 90 days	33,805,852	38,761,568	113,277,576
91 to 180 days	6,468,053	29,650,483	54,924,319
181 to 365 days	4,113,788	21,392,105	38,198,394
More than 365 days	8,320,760	4,007,915	24,993,951
Grand Total	52,708,453	93,812,070	231,394,239

There is a risk that the customers may not honor their payment commitments, which will lead to bad debts for the Company.

5.2.15. Capital Market Risk

After being listed on the securities exchange, the price of Company's shares will be determined by market forces driven by socio-economic events (local & international), capital & money market's behavior and Company's performance. As such, the value of the Company's share will be subject to fluctuation(s) based on combined impact of market forces identified above.

5.2.16. Under Subscription Risk

The IPO of BFBL may be under-subscribed due to lack of interest on the part of the investors. The Book Building process shall be considered as cancelled if:

- The Company does not receive bids for the number of shares allocated under the Book Building portion;
- The Company does not receive at least 40 bids.

In such an eventuality, the bid money submitted by investors shall be refunded subsequently.

NOTE: IT IS STATED THAT ALL MATERIAL RISK FACTORS HAVE BEEN DISCLOSED AND THAT NOTHING HAS BEEN CONCEALED IN THIS RESPECT.

5.3. CERTIFICATE BY THE CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER OF THE ISSUER



BF BIOSCIENCES LIMITED
A Subsidiary of FEROZSHAH LABORATORIES LIMITED

Dated: 24 July 2024

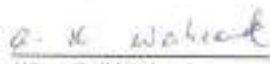
Subject: Certificate by the Chief Executive Officer and Chief Financial Officer of the issuer

We being the Chief Executive Officer and Chief Financial Officer of BF Biosciences Limited (the "Issuer") accept absolute responsibility for the disclosures made in the Prospectus. We hereby certify that we have reviewed the Prospectus and that it contains all the necessary information with regard to the issue and constitutes full, true and plain disclosures of all material facts relating to the ordinary shares being offered through this Prospectus and that nothing has been concealed.

The information contained in this Prospectus is true and correct to the best of our knowledge and the opinions and intends expressed herein are honestly held.

There are no other facts, the omission of which makes this Prospectus as a whole or any part thereof misleading.

For and on behalf of BF Biosciences Limited


Akhtar Khalid Waheed
Chief Executive Officer




Abdur Rehman
CFO & Company Secretary

Head Office/Market Factory
1-800, Sindh Avenue Road
Karachi 75200, Pakistan
Tel: +92-21-3432 0730
Fax: +92-21-3432 0731

Registered Office
107-A, The Mall, Daudpura
Karachi, Pakistan
Tel: +92-21-3732 1800/01
Fax: +92-21-3732 1799

Lahore Sales Office
H-1, Phase IV/IV-A, F-7/7
D-106, F-10, M-1, Lahore
50010, Pakistan
Tel: +92-42-37323194
Fax: +92-42-37323619

Karachi Sales Office
House No. 3, Market Complex
Korangi District, Daudpura Road
Karachi 75200, Pakistan
Tel: +92-21-3432 0800
Fax: +92-21-3432 0730

info@bfbio.com | www.bfbio.com

5.4. UNDERTAKING BY THE COMPANY AND ITS SPONSORS

E-STAMP



ID: PB-LHR-EBGGE9D1P8541465
 Type: Low Denomination
 Amount: Rs 100/-



Scan for online verification

Description: CERTIFICATE OR OTHER DOCUMENT
 Applicant: BF Biosciences Limited (00000-000000-0)
 Registered From: BF Biosciences Limited
 Agent: Naveed Ahmad (35102-3042318-1)
 Address: 3-01, Sardar Rawat Road, Lahore, Pakistan
 Issue Date: 23-Jul-2024 10:14:13 AM
 Deleted On/Validity: 29-Jul-2024
 Amount in Words: One Hundred Rupees Only
 Reason: Undertaking
 Service Information: Nazam ul Masail | PB-LHR-997 | Rawat



یہ سند ایک سرکاری سند ہے اور اسے مندرجہ ذیل تفصیلات کے ساتھ استعمال کیا جانا چاہئے۔
 Type "ebggs <11 digit eStamp Number>" 9970 10 9100

Date: 24 July 2024

Pakistan Stock Exchange Limited
 Stock Exchange Building
 Stock Exchange road
 Karachi – 74000, Pakistan

UNDERTAKING BY THE COMPANY AND ITS SPONSORS

BF Biosciences Limited and its Sponsors undertake that

- 1) Neither the Company nor its directors, sponsors or substantial shareholders have been holding office of the directors, or have been sponsors or substantial shareholders in any Company:
 - a. Which had been declared defaulter by the securities exchange or futures exchanges; or
 - b. Whose TRE certificate has been cancelled or forfeited by the Exchange, PSEEX or any other registered stock exchange of Pakistan that existed prior to integration of stock exchanges pursuant to Integration Order number 05/2016 dated January 11, 2016 issued by the Commission due to non-compliance of any applicable rules, regulations, notices, procedures, guidelines etc.
- 2) Which has been delisted by the Exchange due to its non-compliance of any applicable provision of PSX Regulation.
- 3) None of the Sponsors, Major Shareholders, Directors or Management of the Company as well as the Company itself or its Associated Company / Entity have been found guilty of being engaged in any fraudulent activity. The Company has made full disclosure regarding any / or all cases in relation to involvement of the person named above in any alleged fraudulent activity i.e. pending before any Court of Law / Regulatory Body / Investigation Agency in or outside of the country.

For and on behalf of BF Biosciences Limited


 Munazzam Farhan Rafiq
 Chief Operating Officer




ATTESTED
 Abdur Rehman
 CFO & Company Secretary


For and on behalf of Sponsors and Directors of BF Biosciences Limited



Osman Khalid Waheed
Chief Executive Officer
Ferasions Laboratories Limited



Sebastian Martin Ferrarasi
General Manager
Grupo Empresarial Ingg S.A.

Carried by:



Abdur Rahman
CFO & Company Secretary
BF Biosciences Limited



5.5. STATEMENT BY THE ISSUER



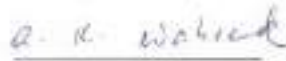
BF BIOSCIENCES LIMITED
A Subsidiary of PARCELS LABS LIMITED

Dated: 24 July 2024

The Chief Executive
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

On behalf of BF Biosciences Limited (the "Company"), We hereby confirm that all material information as required under the Companies Act, 2017, the Securities Act, 2015, the Public Offering Regulations, 2017 and the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange Limited has been disclosed in the Prospectus and that whatever is stated in Prospectus and the supporting documents is true and correct to the best of our knowledge and belief and that nothing has been concealed.

For and behalf of BF Biosciences Limited



Akhter Khalid Waheed
Chief Executive Officer




Abdur Rehman
CFO & Company Secretary

Head Office/Head Factory:
B-RII, Gadar Road/Chowk
Khanpur Road, Phase-2
No. (F-3) 432 9602 9100
Fax: (+92) 43 9822 9701 01

Registered Office:
977-A, The Hub, E-6/Block
20000, Faisalabad
Tel: (+92) 372 4922 100/57
Fax: (+92) 372 4922 100

Lahore Sales Office:
11-A Trade Building, 5th
Floor, Park Road, Lahore
54000, Pakistan
Tel: (+92) 42 3722 8120
Fax: (+92) 42 3721 8080

Ramkhalid Sales Office:
House No. 1, Moolan Changan
Newly formed, Lyallpore Road
Rawalpindi (GPO), Pakistan
Tel: (+92) 31 3000 0000
Fax: (+92) 31 3000 0104

info@bfbl.com | www.bfbl.com

5.6. STATEMENT BY THE LEAD MANAGER



5.7. STATEMENT BY THE BOOK RUNNER



6. FINANCIAL INFORMATION

6.1. AUDITORS REPORT AS CERTIFICATE ON ISSUED, SUBSCRIBED AND PAID-UP CAPITAL



KPMG Taseer Hadi & Co.
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 8907

The Board of Directors
BF Biosciences Limited
5-KM – Sunder Raiwind Road
Raiwind, Lahore

Our ref: LA-CA-283-24
Contact: Ahsan Tariq

25 July 2024

Dear members of the Board,

Auditor's certificate on issued, subscribed and paid-up capital as required under clause 14(i) of section 1 of the First Schedule to the Public Offering Regulations, 2017

We have been requested to provide you a certificate confirming the issued, subscribed and paid-up capital of BF Biosciences Limited ("the Company"), as at 31 March 2024 for onward submission to Pakistan Stock Exchange (PSX) as required under clause 14(i) of section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

The engagement scope is to provide auditor's certificate on the verification of the Statement prepared by management showing the issued, subscribed and paid-up capital of the Company (the "Statement"). We have been informed that this certificate is required under clause 14(i) of section 1 of First Schedule to the Public Offering Regulations, 2017.

Management Responsibility

It is the management's responsibility to ensure that the Statement showing the issued, subscribed and paid-up capital of the Company has been correctly prepared in compliance with clause 14(i) of section 1 of First Schedule to the Public Offering Regulations, 2017.

Management's responsibilities include maintenance of adequate records and internal controls as determined necessary to enable the preparation of the Statement such that it is free from material misstatement, whether due to fraud or error. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to certify the Statement containing the issued, subscribed and paid-up capital of the Company as at 31 March 2024 in accordance with the 'Guidelines for Issue of Certificates for Special Purpose by Practising Chartered Accountant Firms' issued by Institute of Chartered Accountants of Pakistan (ICAP).



KPMG Taseer Hadi & Co., a member firm of the KPMG global network of independent member firms affiliated with the KPMG network of independent member firms affiliated with the KPMG network of independent member firms affiliated with the KPMG network of independent member firms.



BF Biosciences Limited
Auditor's certificate on Issued, Subscribed
and Paid-Up Capital under Public
Offering Regulation, 2017

KPMG Taseer Hadi & Co.

Our verification was limited to tracing the amount of issued, subscribed and paid-up capital included in the Statement from the audited interim financial statements of the Company for nine month period ended 31 March 2024.

Certificate

Based on procedures performed, we certify that the break-up of shareholding of the Company as at 31 March 2024 is as follows:

	31 March 2024 (Rupees)
Issued, subscribed and paid-up capital	
63,333,334 ordinary shares of Rs. 3 each fully paid in cash	<u>190,000,002</u>

The shareholders of the Company as at 31 March 2024 include the following:

<u>Name of shareholders</u>	<u>No. of ordinary shares of Rs.3 each</u>	<u>Amount in Rupees</u>
Ferozsons Laboratories Limited (80% shareholding)	50,666,655	151,999,965
M/s Grupo Empresarial Bagó S.A (20% shareholding)	12,666,667	38,000,001
Mr. Sebastian Martin Ferraresi (Nominee shares allocated by Ferozsons Laboratories Limited)	3	9
Mrs. Musize Azhar Peracha (Nominee shares allocated by Ferozsons Laboratories Limited)	3	9
Mr. Osman Khalid Waheed (Nominee shares allocated by Ferozsons Laboratories Limited)	3	9
Mrs. Akhter Khalid Waheed (Nominee shares allocated by Ferozsons Laboratories Limited)	3	9
	63,333,334	190,000,002

Restriction on use and distribution

This certificate is being issued on the specific request of Company's management for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to PSX. Accordingly, this certificate cannot be used or distributed to any other third party without our prior consent. This certificate is restricted to the facts stated herein.

Yours faithfully



KPMG Taseer Hadi & Co.
Chartered Accountants
Lahore

6.2. AUDITOR CERTIFICATE ON BREAKUP VALUE PER SHARE



KPMG Taseer Hodi & Co.
Chartered Accountants
551 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (978484), Fax: +92 (42) 3742 9957

The Board of Directors
BF Biosciences Limited
5-KM – Sandar Karwood Road
Rawwal, Lahore

Ref: LA-W/24424
Contact: Ahsa Tariq

15 July 2024

Dear members of the Board,

Auditor's certificate on Break-up value per share – 31 March 2024 based on Audited Interim Financial Statements

We have been requested to provide you with a certificate on break-up value of ordinary shares of the Company based on the audited interim financial statements of the Company for the nine month period ended 31 March 2024 as required under Clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017.

Scope of Certificate

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 14(i) of Section 1 of the First Schedule to the Public Offering Regulations, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The responsibility for computation of break-up value of ordinary shares of the Company, based on the audited interim financial statements of the Company for the nine month period ended 31 March 2024 in accordance with the requirements of the Technical Release (TR)-22 of the Institute of Chartered Accountants of Pakistan (ICAP) is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding of the assets of the Company and prevention and detection of frauds and irregularity. This certificate does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to verify the break-up value of ordinary shares of the Company based on the audited interim financial statements of the Company for the nine month period ended 31 March 2024 in accordance with the 'Guidelines for Issue of Certificates for Special Purposes by Practising Chartered Accountant Firms' issued by the Institute of Chartered Accountants of Pakistan. Our verification was limited to trace the relevant financial information used for the purpose of calculating the break-up value of ordinary shares by the management of the Company from the audited interim financial statements of the Company for the nine month period ended 31 March 2024. In this regard, we have also reviewed the compliance with the requirements of Technical Release (TR)-22 of the Institute of Chartered Accountants of Pakistan (ICAP).

KPMG

KPMG LLP, a Delaware limited liability partnership, the U.S. member firm of the KPMG network, is a separate legal entity. KPMG LLP is not a member firm of the KPMG network. KPMG LLP is not a member firm of the KPMG network. KPMG LLP is not a member firm of the KPMG network.



BF Biosciences Limited
 Auditor's certificate on Break-up value per
 Share as at 31 March 2024 based on Audited
 Interim Financial Statements

KPMG Taseer Hadi & Co.

Certificate

Based on procedures mentioned above, we certify that the break-up value of ordinary shares of the Company as at 31 March 2024, based on the audited interim financial statements of the Company for the nine month period ended 31 March 2024, is as follows:

	Note	31 March 2024 Audited (Rupees)
Issued, subscribed and paid up capital (Rupees)		190,000,002
Unappropriated profit - revenue reserve (Rupees)		2,098,257,231
Total shareholders' equity - (Rupees)	A	2,288,257,233
Number of ordinary shares of Rs. 3/- each	B	61,333,234
Break-up value per ordinary share of Rs. 3/- each - (Rupees)	C=A/B	36.13

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange. Accordingly, this should not be used or distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein.

Yours faithfully,

Taseer Hadi & Co.

KPMG Taseer Hadi & Co.
 Chartered Accountants
 Lahore

6.3. AUDITOR REPORT UNDER CLAUSE I OF SECTION II OF FIRST SCHEDULE TO THE PUBLIC OFFERING REGULATIONS, 2017



KPMG Taseer Hadi & Co,
Chartered Accountants
351 Shadman-1, Jail Road,
Lahore 54000 Pakistan
+92 (42) 111-KPMGTH (576484), Fax +92 (42) 3742 9907

The Board of Directors
BF Biosciences Limited
3-KM - Sunder Raiwind Road
Raiwind, Lahore

Our ref: LA-4A-382-24
Contact: Ahsan Tariq

25 July 2024

Dear members of the Board,

Auditor's Report under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulations, 2017

We have been requested to provide you with a report with respect to information of BF Biosciences Limited ("the Company") as required under Clause 1 of Section 2 of the First Schedule of the Public Offering Regulations, 2017.

Scope of Report

Our engagement was undertaken on the request of the management of the Company for the purpose of inclusion of information in prospectus to be issued for Initial Public Offer as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulations, 2017 for onward submission to Pakistan Stock Exchange (PSX).

Management Responsibility

The responsibility for preparation and fair presentation of the financial information and non-financial information is primarily that of the management of the Company. The management's responsibilities include causing the maintenance of the adequate accounting records and internal controls, the selection and application of accounting policies, safeguarding off the assets of the Company and prevent and detection of frauds and irregularity. This report does not relieve the management from its responsibilities.

Auditors' Responsibility

Our responsibility is to report the information as required under Clause 1 of Section 2 of the First Schedule to the Public Offering Regulations, 2017. Our report is being issued in accordance with the "Guidelines for Issue of Certificates for Special Purposes by Practicing Chartered Accountant Firms" issued by the Institute of Chartered Accountants of Pakistan.

Our verification was limited to tracing the financial information included in the annexures with the audited interim financial statements of the Company for nine months period ended 31 March 2024 and audited financial statements of the Company for years ended 30 June 2023, 30 June 2022, 30 June 2021, 30 June 2020 and 30 June 2019.



KPMG Taseer Hadi & Co., is the member firm registered in Pakistan under
the Chartered Accountants Act, 1969 and is a member firm of the Institute of Chartered Accountants of Pakistan.
KPMG Taseer Hadi & Co. is a member firm of the Institute of Chartered Accountants of Pakistan.



BF Biosciences Limited
Auditor's Report under Class 3 of
Section 2 of the First Schedule to the
Public Offering Regulations, 2017

KPMG Taseer Hadi & Co.

Certificate

Based on the procedures mentioned above, we certify that the information contained in the annexures is correct. The annexures have been included for identification purposes only.

Restriction on use and distribution

This certificate is being issued on the specific request of the management of the Company for the purpose of inclusion in prospectus to be issued for Initial Public Offer and for onward submission to Pakistan Stock Exchange. Accordingly, this should not be used or distributed to any other third party without our prior consent. This report is solely for the purpose set forth in the scope mentioned above and is not to be used or distributed for any other purpose. This report is restricted to the facts stated herein and the attachments.

Yours faithfully



KPMG Taseer Hadi & Co.
Chartered Accountants
Lahore



BF Biosciences Limited
Auditor's Report under Clause 7 of
Section 2 of the First Schedule to the
Public Offering Regulations, 2017

KPMG Taseer Hadi & Co.

Annexure 'B' to the letter reference no. LA-IA-252-24 dated 25 July 2024

Summary of Statement of Profit or Loss

	July 01,2023 to March 31,2024 (Report)	July 01,2022 to June 30,2023 (Report)	July 01,2021 to June 30,2021 (Report)	July 01,2020 to June 30,2021 (Report)	July 01,2019 to June 30,2019 (Report)	July 01,2018 to June 30,2019 (Report)
Revenue	2,895,613,748	1,209,516,538	8,520,702,604	1,754,708,198	628,266,427	448,470,713
Cost of goods sold	(1,652,266,771)	(1,285,336,887)	(1,062,928,536)	(818,131,025)	(461,832,403)	(462,866,203)
Gross profit / loss	1,243,346,977	449,572,451	457,774,068	936,577,173	86,433,824	(1,385,549)
Administrative expenses	(22,466,487)	(23,136,345)	(42,105,443)	(40,610,029)	(27,472,953)	(26,229,481)
Selling and distribution expenses	(688,677,288)	(137,154,203)	(145,615,371)	(11,494,046)	(52,858,257)	(35,112,998)
Other expenses	(51,375,185)	(27,636,665)	(28,023,247)	(42,714,848)	(16,258,513)	(19,682,087)
Other income	25,976,356	88,256,156	(75,149,641)	98,658,069	46,290,289	81,897,614
Operating profit / loss	683,984,858	389,501,713	414,379,302	676,877,129	61,115,190	(32,982,251)
Finance cost	(114,266,787)	(182,144,127)	(62,812,268)	(22,289,804)	(1,125,188)	(1,125,607)
Profit / (loss) before taxation	489,627,999	207,357,586	348,766,034	654,607,325	59,940,002	(33,757,951)
Taxation	(115,870,807)	(51,144,373)	(41,782,476)	(31,613,289)	(12,831,445)	9,285,128
Profit / (loss) after taxation	374,857,192	156,213,213	306,983,558	622,994,036	47,108,557	(24,472,823)

KPMG



*BF Biosciences Limited
Auditor's Report under Clause 1 of
Section 2 of the First Schedule to the
Public Offering Regulations, 2017*

KPMG Taseer Hadi & Co.

Annexure 'C' to the letter reference no. LA-IA-281-24 dated 15 July 2024

Summary of Statement of Comprehensive Income:

	July 01,2023 to March 31,2024 (Rupees)	July 01,2022 to June 30,2023 (Rupees)	July 01,2021 to June 30,2022 (Rupees)	July 01,2020 to June 30,2021 (Rupees)	July 01,2019 to June 30,2019 (Rupees)	July 01,2018 to June 30,2018 (Rupees)
Profit / (Loss) after taxation	314,851,740	(19,002,771)	336,971,718	687,991,960	47,105,570	(94,492,801)
Other Comprehensive Income						
<i>(From the non-financial instruments classified as available for sale or loan)</i>						
Other comprehensive income for the period/year	-	-	-	-	-	-
Total comprehensive income / (loss) for the period/year	<u>314,851,740</u>	<u>(19,002,771)</u>	<u>336,971,718</u>	<u>687,991,960</u>	<u>47,105,570</u>	<u>(94,492,801)</u>

KPMG

6.4. LATEST AUDITED ACCOUNTS AS AT 31ST MARCH 2024

BF Biosciences Limited
 Balance Sheet as at 31 March 2024

		31 March 2024	31 March 2023			31 March 2024	31 March 2023
	Note	€ pence	€ pence		Note	€ pence	€ pence
EQUITY AND LIABILITIES				ASSETS			
Share capital and reserves				Intangible assets			
Authorised share capital: 500,000,000 (2023: 25,000,000) ordinary shares of € 1 each (2023: € 10 each)		1,250,000,000	250,000,000	Property, plant and equipment	11	4,148,735,783	4,569,522,488
Issued, subscribed and paid-up capital	1	210,590,082	170,000,000	Long term deposits	12	7,827,888	4,327,000
Unappreciated profit		2,898,237,238	1,780,233,181	Intangibles	13	491,898	1,178,000
		2,148,227,238	1,950,233,181	Deferred tax assets	14	11,811,415	-
						4,178,867,977	4,575,027,488
Non-current liability				Current assets			
Long term loan - secured	15	1,498,284,796	1,772,448,871	Stock, spare parts and lease tools	17	95,257,287	81,428,928
Deferred grant	16	442,726,462	873,773,073	Stock in Trade	18	766,471,557	568,824,161
Deferred tax liabilities	18	-	17,526,161	Trade debtors	19	331,294,239	30,882,056
		1,941,011,258	2,663,748,005	Leases and advances	20	14,417,118	14,393,189
				Deposits, prepayments and other receivables	21	127,845,118	96,578,587
Current liabilities						37,496,668	107,383,823
Current portion of: - Long term loans - secured	15	279,629,610	326,870,434	Short term investments	22	-	137,582,926
- Current portion of deferred grant	16	127,226,249	129,914,474	Advance Income tax - net		-	755,463,561
Trade and other payables	17	798,915,789	583,215,321	Cash and bank balances	23	316,628,584	755,463,561
Contract liabilities	17	31,313,314	5,611,960			1,711,996,513	1,791,283,281
Income tax payable - net		30,157,215	-				
Short term borrowings	17	231,875,692	471,389,342				
Make-up and end-in borrowings		33,879,836	43,827,498				
		1,401,766,791	1,867,816,052				
Contingencies and commitments	18	-	-				
		1,401,766,791	1,867,816,052				

The notes set out from 1 to 41 form an integral part of these interim financial statements.

Robert Lynch
 Chairman

Dr. H. O'Connell
 Chief Executive Officer

David O'Connell
 Chief Financial Officer

Robert O'Connell
 Director

BF Biosciences Limited
Interim Statement of Profit or Loss
For the nine months ended 31 March 2024

	Note	Nine months ended	
		Audited 31 March 2024 Rupees	Un-audited 31 March 2023 Rupees
Revenue - net	24	2,915,513,748	1,185,300,199
Cost of goods sold	25	(1,653,306,771)	(901,894,765)
Gross profit		1,262,206,977	283,405,434
Administrative expenses	26	(32,446,407)	(28,307,834)
Selling and distribution expenses	27	(600,677,265)	(96,361,840)
Other expenses	28	(51,075,105)	(22,483,708)
Other income	29	25,976,356	73,317,274
Operating profit		603,984,556	209,569,326
Finance cost	30	(114,356,797)	(87,165,613)
Profit before taxation		489,627,759	122,403,713
Taxation	31	(175,576,017)	(30,739,903)
Profit after taxation		314,051,742	91,663,810
			<i>Re-stated</i>
Earning per share - basic and diluted	32	4.96	1.45

The annexed notes from 1 to 41 form an integral part of these interim financial statements.

M/2024/0001

Lahore


 Chief Executive Officer


 Chief Financial Officer


 Director

BF Biosciences Limited
Interim Statement of Comprehensive Income
For the nine months ended 31 March 2024

	Nine months ended	
	Audited	Un-audited
	31 March	31 March
	2024	2023
	Rupees	Rupees
Profit after taxation	314,051,742	91,663,810
Other comprehensive income for the period	-	-
Total comprehensive income for the period	314,051,742	91,663,810

The annexed notes from 1 to 41 form an integral part of these interim financial statements.

Khan

Lahore

G. K. Wahid
 Chief Executive Officer

[Signature]
 Chief Financial Officer

[Signature]
 Director

BF Biosciences Limited
Interim Statement of Changes in Equity
For the nine months ended 31 March 2024

Share capital	Capital reserve	Revenue reserve	Total	
	Equity portion of convertible loan	Unappropriated profit		
— Rupees				
Balance as at 01 Jul 2022 - audited	190,000,000	131,784,377	1,502,448,341	1,825,152,718
Total comprehensive income for the period	-	-	91,663,810	91,663,810
Balance as at 31 March 2023 - unaudited	190,000,000	131,784,377	1,594,112,151	1,916,856,528
Balance as at 01 Jul 2023 - audited	190,000,000	-	1,784,205,491	1,974,285,491
Total comprehensive income for the period	-	-	314,051,742	314,051,742
Rounding off adjustment in lieu of shares split arrangements	2	-	(2)	-
Balance as at 31 March 2024 - audited	190,000,002	-	2,098,257,231	2,288,257,233

The annexed notes from 1 to 41 form an integral part of these interim financial statements.

K. Prasad

Chairman

A. K. Maheshwari
 Chief Executive Officer

[Signature]
 Chief Financial Officer

[Signature]
 Director

BF Biosciences Limited
Interim Statement of Cash Flows
For the nine months ended 31 March 2024

	Nine months ended	
	31 March 2024	31 March 2023
	Rs pms	Tuposa
Cash flow from operating activities		
Profit before taxation	688,427,269	122,403,713
<i>Adjustments for non-cash and other items:</i>		
Depreciation on property, plant and equipment	24,908,682	35,213,352
Gain on disposal of property, plant and equipment	(2,152,268)	(551,590)
Amortisation	415,788	348,938
Dividend income	(18,914,448)	(29,613,872)
Finance cost	114,336,797	87,163,613
(Loss) / Gain on re-measurement of debt term investments to fair value	28,177	(978,613)
Gain realised on sale of debt term investments	(317,789)	(7,948,602)
Profit on bank deposits	(1,402,453)	(274,548)
Provision for Workers' Profit Participation Fund	26,322,792	7,171,827
Provision for Central Research Fund	5,317,820	1,448,874
Provision for Workers' Welfare Fund	33,854,266	1,253,828
	1,635,427,381	155,334,378
Cash generated from operations before working capital changes	623,925,141	173,718,292
Effect on cash flow due to working capital changes		
(Increase) / decrease in current assets		
Stocks, spare parts and loose tools	(34,937,848)	(1,123,774)
Stock in trade	3,482,764	(339,242,408)
Trade debtors	(1,372,582,149)	(71,629,633)
Long term deposits	(2,680,000)	-
Loans and advances - unsecured good	(60,185,832)	(13,486,443)
Debtors, prepayments and other receivables	(680,297,170)	(414,393,275)
Increase in current liabilities		
Trade and other payables	284,685,412	44,560,331
Current liability	28,440,331	(3,427,862)
Cash generated from / (used in) operations	603,823,764	(114,846,846)
Taxes paid	(34,257,157)	(71,635,689)
Central Research Fund paid	(2,299,932)	(2,714,596)
Workers' Profit Participation Fund paid	(9,583,252)	(7,128,424)
	(45,139,441)	(81,478,709)
Net cash generated from / (used in) operating activities	558,684,323	(196,325,555)
Cash flow from investing activities		
Fixed capital expenditure incurred	(846,294,237)	(1,292,512,367)
Proceeds from sale of property, plant and equipment	4,437,895	551,829
Purchase of intangibles	-	(1,568,234)
Dividend income	18,914,448	29,613,877
Payment against Short term investments	138,228,767	917,027,269
Profit on bank deposits received	5,028,425	374,869
Net cash generated from / (used in) investing activities	24,299,418	(746,723,246)
Cash flow from financing activities		
Long term loan received	-	72,163,000
Long term loan paid	(281,187,314)	(8,159,008)
Finance cost paid	(1,27,119,490)	(35,408,503)
Net cash (used in) / generated from financing activities	(308,197,778)	19,595,489
Net increase / (decrease) in cash and cash equivalents	250,486,545	(167,553,312)
Cash and cash equivalents at the beginning of the period	(217,947,175)	(2,126,885)
Cash and cash equivalents at the end of the period	132,539,370	(180,179,797)
Cash and cash equivalents comprise of the following:		
Cash without interest	346,029,296	216,740,021
Banking balances	(213,489,926)	(196,919,818)
	132,539,370	(80,179,797)

The annexed notes from 1 to 41 form an integral part of these interim financial statements.

Lukers

Chief Executive Officer

Chief Financial Officer

Director

6.5. SUMMARY OF FINANCIAL HIGHLIGHTS OF BF BIOSCIENCES LIMITED

The audited financials of the Company can be downloaded from the following link: <http://bfbio.com/>

6.5.1. Financial Highlights

<i>Income Statement</i>	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
<i>PKR Mn</i>	Audited	Audited	Audited	Audited	Audited	Audited
BFBL						
Net Revenue	448	641	1,755	1,520	1,809	2,915 ³⁸
Cost of Goods Sold	(463)	(543)	(958)	(1,063)	(1,360)	(1,653)
Gross Profit	(14)	98	796	458	449 ³⁹	1,262
Administrative Expenses	(26)	(27)	(41)	(42)	(23)	(32)
Selling & Distribution Expenses	(36)	(46)	(112)	(145)	(137)	(600) ⁴⁰
Other Expense	(19)	(10)	(43)	(28)	(28)	(51)
Other Income	43	46	70	172	94	26 ⁴¹
Operating Profit	(52)	61	671	414	355	604
Financial Charges	(1)	(1)	(25)	(65)	(153)	(114) ⁴²
Profit/(Loss) before Taxation	(54)	60	646	349	202 ⁴³	489
Taxation	9	(13)	(38)	(42)	(53)	(175)
Profit/(Loss) after Taxation	(44)	47	608	307	149	314
EBITDA	26	83	694	443	390	629
Depreciation and Amortization	79	22	23	28	34	25
Balance Sheet	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Non-Current Assets	136	136	1,039	2,140	4,076	4,170
Current Assets	752	912	1,956	2,295	1,591	1,712
Total Assets	889	1,048	2,995	4,435	5,667	5,882
Paid up Capital	190	190	190	190	190	190
Equity portion of convertible loan	-	-	76	133	-	-

³⁸ Revenue increased due to increase in local sales volume

³⁹ The decrease is due to sales mix as in year 2021, there was a proportion of Remdesivir export sales (carrying high margin)

⁴⁰ Increase is attributed to increase sales promotion, salaries and travelling & conveyance

⁴¹ Other income has fallen due to decrease in dividend received from investment in mutual funds

⁴² Interest expense has reduced due to decrease in Short-term borrowings

⁴³ Mainly due to other income and increase in finance costs, as project borrowings were fully utilized in year 2022

Unappropriated profit	545	592	1,200	1,502	1,784	2,098
Total Equity	735	782	1,467	1,825	1,974	2,288
Long term Loan	0	5	873	1537	1772	1698 ⁴⁴
Deferred Grant ⁴⁵	-	0.3	173	331	504	463
Current Portion of long-term loan	-	1	16	58	357	274
Short-Term Borrowings	20	-	-	149	473	231
Non-Current Liabilities	-	5	1,062	1,895	2,290	2,161
Current Liabilities	153	260	466	715	1,403 ⁴⁶	1,433
Stores and spares	28	35	42	74	83	98
Trade debts	52	49	202	53	94	231 ⁴⁷
Trade and other payables	90	251	402	394	393	708
Fixed Assets	118	117	1,034	2,135	4,070	4,149
Cash Flow Statement	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Cash Flow from Operating ⁴⁸ Activities	(55) ⁴⁹	(20)	570 ⁵⁰	178	(196) ⁵¹	637 ⁵²
Cash Flow from Investing Activities	46	(5)	(1,340) ⁶⁵	(1,463) ⁶⁵	(724) ⁵³	24 ⁵⁴
Cash Flow from Financing Activities	(1)	6	1,162	925	640	(328) ⁵⁵
Net increase/(decrease) in cash and cash equivalents	(10)	(19)	393	(359)	(280)	333

⁴⁴ Long-term loan decreased due to repayment of the loans to Karandaaz (repayment starting from June 30th 2023)

⁴⁵ This is a notional accounting treatment notified by ICAP in case of subsidized loans taken from the Banks

⁴⁶ Due to classification of current portion of loans along with higher utilization of running facilities to build inventory levels

⁴⁷ Significant rise due to increase in receivables from export & local debtors

⁴⁸ The volatility is mainly due to Line II expansion expenditure incurred

⁴⁹ The slight negative cashflows in year 19 and 20 were due to working capital changes.

⁵⁰ In 2021, the company started export sales of novel COVID19 drug, which translated into healthy cashflows

⁵¹ In year 2023 the Company against invested in its working capital to support its growth going forward

⁵² The significant rise is due to increased sales volume

⁵³ Civil works and plant & machinery relating to Line II

⁵⁴ Reduction in investing activities is due to less Fixed capex compared to FY 2023

⁵⁵ Repayments of loans were made while no new loans were obtained leading to negative cashflow from financing

Cash and cash equivalents at the beginning of the year	58	48	29	422	62	(218)
Net Cash Balance	48	29	422	62	(218)	115
Capex	(0.43)	(22)	(941)	(1,130)	(1,970)	(106)
Growth	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Sales Growth (%)	-	43%	174%	(13%)	19%	146% ⁵⁶
EBITDA Growth (%)	-	218%	732%	(36%)	(12%)	168%
Profit after tax Growth (%)	-	207%	1194%	(50%)	(51%)	243%
Margins						
Gross Margin (%)	(3%)	15%	45%	30%	25%	43%
Operating Profit Margin	(12%)	10%	38%	27%	20%	21%
EBITDA Margin (%)	6%	13%	40%	29%	22%	22%
Profit after tax Margin (%)	(10%)	7%	35%	20%	8%	11%
Profitability Ratios	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Earnings per share (PKR)	(0.69)	0.74	9.58	4.85	2.35	4.96 ⁵⁷
Break-up value per share (PKR)	11.61	12.35	23.16	28.82	31.17	36.13 ⁵⁸
Break-up value per share with revaluation surplus (PKR)			N/A			60.07 ⁵⁹
Return on equity (%)	(6%)	6%	41%	17%	8%	14% ⁶⁰
Return on assets (%)	(5%)	4%	20%	7%	3%	5%
Balance Sheet Ratios	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited

⁵⁶ The sharp rise is because of significant increase in local sales as well as slight increase in export sales.

⁵⁷ EPS is based on total profit after tax divided by outstanding shares of the Company as of 31 March 2024 for better presentation and clarity. The EPS has increased by more than 2x as a result of increased profits.

⁵⁸ BVPS is calculated by dividing equity of the Company by outstanding shares as of 31 March 2024 for better presentation and clarity. The increase in Break-up value is a result of increase in total equity due to increased unappropriated profits.

⁵⁹ The revaluation surplus has been added in equity of the Company standing at 31, March 2024, thereby increasing the Break-up value per share.

⁶⁰ Return on equity is based on profit after tax divided by period end equity.

Fixed Asset Turnover	3.80	5.46	3.05	0.96	0.58	0.71
Asset Turnover	0.50	0.66	0.87	0.41	0.36	0.50 ⁶¹
Current Ratio	4.92	3.51	4.20	3.21	1.13	1.19
Capex to total Assets	-	0.02	0.31	0.25	0.35	0.02
Receivable Turnover (days)	42	28	42	13	19	21
Inventory Turnover (days)	113	135	120	114	206	125
Payable Turnover (days)	105	169	153	135	105	116
Cash Conversion Cycle (days)	50	(6)	9	(8)	120	30
Leverage Ratios	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Debt to Equity	3%	1%	74%	118%	164%	122%
EBITDA / Interest	26.26	83.48	27.77	6.81	2.54	5.50
Debt / EBITDA	0.76	0.08	1.57	4.86	8.30	4.44
(EBITDA-CAPEX)	25.83	61.48	(247)	(687)	(1,580)	523
(EBITDA-CAPEX)/ Interest	25.83	61.48	(9.87)	(10.57)	(10.33)	4.59
Interest Coverage Ratio	26.26	83.48	27.77	6.81	2.55	5.52

6.5.2. Commentary on Selected Ratios

6.6.2.1 Profitability

Revenue increased by 146% to PKR 2,915 million in 9MFY24 compared to PKR 1,185 million in 9MFY23. BFBL's net profit recorded a growth of 243% increasing to PKR 314 million in 9MFY24 from 92 million in 9MFY23. The company's Profit after Tax has grown at a 3-year CAGR of 47% from FY 2020 to FY 2023.

Cost of Goods sold as a percentage of Revenue has fallen to 57% in 9MFY 2024 from 75% in FY 2023. Selling and Distribution Expenses as a percentage of Revenue has increased from 8% in FY 2023 to 21% in 9MFY 2024.

Gross Margin improved significantly from 25% in FY 2023 to 43% in 9MFY 2024 but Operating Margin remained in-line with the previous year due to increase in Selling and Distribution Expenses.

⁶¹ Asset Turnover is calculated by dividing net sales to average of opening and closing total assets.

6.6.2.2 Liquidity

The Company has maintained a healthy current ratio since its inception. BFBL current ratio for FY 2022, FY 2023 was 3.21 and 1.13, respectively. Furthermore, the current ratio during 9MFY 2024 stands at 1.19. Fixed Asset Turnover stands at 0.71 as at 31st March 2024, compared to 0.58 in FY 2023.

6.6.2.3 Growth Ratios

During the current financial year, the Company showed impressive growth. In 9MFY 2024, BFBL recorded sales growth of 146% compared to 9MFY 2023 led by growth in demand, introduction of new products in the market and expansion into other geographies. The company's sales have grown at a 4-year CAGR of 42% from FY 2019 to FY 2023.

6.6.2.4 Turnover Ratio

Cash conversion cycle of the Company has come down to 30 days in 9MFY 2024 from 120 days in FY 2023; showcasing efficient working capital management. Inventory turnover has improved significantly, decreasing from 206 days in FY 2023 to 125 in 9MFY 2024, fueled by surge in sales volume.

6.6.2.5 Leverage Ratio

Debt to Equity ratio of the Company decreased in 9MFY 2024 to 122% from 164% in FY 2023 due to the decrease in long-term and short-term borrowings. In line with the reduction of borrowing, the interest coverage of the company also improved to 5.52x in 9MFY 2024 from 2.55 x in FY 2023 due to a reduction in the finance cost. Whereas, EBTIDA/Interest for the period stood at 5.50x in 9MFY 2024 compared to 2.54x in FY 2023.

SUMMARY OF REVENUE AND EXPENSES OF BF BIOSCIENCES LIMITED

6.6. REVENUE BREAKUP

Revenue breakdown of BFBL is shown in the following table:

S. No.	Particulars	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value	Value (PKR-Mn)	% of Sales Value
		FY 2022	FY 2022	FY 2023	FY 2023	9MFY 2024	9MFY 2024
1	Private Market sales	693	46%	1,389	77%	2,332	80%
2	Institutional sales	358	24%	379	21%	543	19%
3	Export	471	31%	41	2%	40	1%
	Total Sales	1,520	100%	1,809	100%	2,915	100%

6.7. EXPENDITURE BREAKUP

The following table shows the expenditures of the Company:

Expenses	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
PKR Mn	Audited	Audited	Audited	Audited	Audited	Audited
Cost of Goods Sold	(463)	(543)	(958)	(1,063)	(1,360)	(1,653)
Raw and packing materials	(185)	(245)	(459)	(420)	(481)	(504)
Fuel and power	(39)	(63)	(93)	(117)	(141)	(236)
Salaries, wages and benefits	(80)	(83)	(135)	(141)	(123)	(139)
Administrative Expenses	(26)	(27)	(41)	(42)	(23)	(32)
Salaries and benefits	(23)	(25)	(33)	(33)	(14)	(10)
Depreciation on PPE	(0.4)	(0.1)	(0.1)	(1)	(2)	(2)

Selling & Distribution Expenses	(36)	(46)	(112)	(145)	(137)	(600)
Salaries and benefits	(11)	(13)	(55)	(53)	(24)	(247)
Conference, seminars and trainings	(3)	(4)	(0.7)	(23)	(24)	(88)
Sales promotion	(3)	(4)	(16)	(17)	(32)	(118)
Other Expense	(19)	(10)	(43)	(28)	(28)	(51)
Central research fund	-	(1)	(7)	(4)	(2)	(5)
Workers profit participation fund	-	(3)	(34)	(18)	(11)	(26)

6.8. SUMMARY OF MATERIAL PURCHASES

The following table accounts for the material purchases of the Company:

S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 9MFY 2024 (PKR Mn)	% of Total Purchases during 9MFY 2024
1	Ferozsons Laboratories Limited	Pakistan	Finished Goods (Voriconazole Oral, Azithromycin Oral & Suspension, Rifaximin Oral, Acyclovir Oral, Itraconazole Oral etc.)	187	28%	438	34%	577	48%
2	Hebei Changshan Biochemi	China	Active Pharmaceutical Ingredients (Enoxaparin & Heparin Sodium)	81	12%	62	5%	135	11%
3	Gemabiotech S.A.U.	Spain	Active Pharmaceutical Ingredients (Etanercept, Filgrastim etc.)	48	7%	162	12%	115	10%
4	Zelltek S.A.	Argentina	Active Pharmaceutical Ingredients (Erythropoietin etc.)	60	9%	111	9%	112	9%
5	Bagó Laboratories PTE Ltd	Argentina	Finished Goods (Paclitaxel, Docetaxel, Oxaliplatin etc.)	82	12%	77	6%	61	5%
6	West Pharmaceutical	United States	Packing Materials (Rubber Stoppers) etc.	10	2%	19	1%	37	3%
7	Shandong Wego Prefills Pharmaceutical Packing Ltd	China	Packing Materials (Vials etc.)	10	1%	224	17%	31	3%
8	BCN Peptides S.A.U.	Spain	Active Pharmaceutical Ingredients (Terlipressin etc.)	19	3%	73	6%	17	1%

S. No.	Vendor Name	Country	Product	Purchases during FY 2022 (PKR Mn)	% of Total Purchases during FY 2022	Purchases during FY 2023 (PKR Mn)	% of Total Purchases during FY 2023	Purchases during 9MFY 2024 (PKR Mn)	% of Total Purchases during 9MFY 2024
9	Zydus Lifesciences Limited	India	Active Pharmaceutical Ingredients (Peg-filgrastim etc.)	-	0%	-	0%	12	1%
10	Aptar Stelmi SAS	France	Packing Materials (Rubber Stoppers etc.)	6	1%	7	1%	12	1%
11	Cangzhou Four Stars Glas	China	Packing Materials (Vials)	-	0%	18	1%	7	1%
12	Other Vendor Purchases			165	25%	112	9%	84	7%
			Total	668	100%	1,303	100%	1,200	100%

6.9. SUMMARY OF OTHER INCOME

The essential details regarding the company's Other Income are given below:

Other Income	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
PKR Mn	Audited	Audited	Audited	Audited	Audited	Audited
Other Income (PKR Mn)	43	46	70	172	94	26
Other income as % of operating profit (%)	-	75%	10%	42%	26%	4%
Other income as % of net sales (%)	10%	7%	4%	11%	5%	1%

6.10. BREAKDOWN OF OTHER INCOME

The following table shows the breakup of other income of the Company:

Other Income – Breakup in PKR Mn	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	9MFY 2024
	Audited	Audited	Audited	Audited	Audited	Audited
Profit on Bank Deposit / Income from Govt. Securities	23	35	3	8	1	5
Dividend Income / Other Investment Income	18	10	36	133	91	12
Gain on Sale of PPE	2	1	2	3	1	2
Exchange Gain & Others	0	1	29	28	1	7

6.11. CONTINGENCIES AND COMMITMENTS

6.11.1. Contingencies

Pending litigations / tax contingencies are considered to have remote impact - details of which are given as follows:

On 15 June 2020, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2014. The proceedings were concluded on 29 June 2020, and an order was issued

amounting to Rs. 35,992,726 on various contentions. which mainly includes promotional expenses, amortization and finance costs. The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment. The Income Tax Department has filed an appeal against this order before the Appellate Tribunal Inland Revenue, which is currently pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.

In February 2017, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2015. The proceedings were concluded on 06 October 2020, and an order was issued amounting to Rs. 77,075,217 on various contentions. Which mainly includes expenses apportionment, promotional expenses, amortization and excess depreciation. The Company had filed an appeal against this demand before Commissioner Appeals who, remanded back the case for fresh proceedings. After appeal effect proceedings, demand created on account of apportionment of expenses and depreciation were deleted and for promotional expenses demand was reduced to Rs. 961,772. The company has filed an appeal against both these issues with the Commissioner Appeals which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.

As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer has issued Order and raised the demand of Rs.5,218,952 (inclusive of default surcharge) on account of non-withholding of tax on certain expenses including sales promotion and advertisement under section 156 of the Ordinance. The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment and upheld demand of Rs.664,128 on account of travelling and daily allowance. The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.

Sr No.	Order Dated	Issuing Authority	Tax Period	Financial Impact (PKR Mn)	Current Status	Background of the Case and Management Stance
1	June 29 th 2020	Federal Board of Revenue	2014	35.99	Pending in Appellant Tribunal	<p>On 15 June 2020, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2014. The proceedings were concluded on 29 June 2020, and an order was issued amounting to Rs. 35,992,726 on various contentions. which mainly includes promotional expenses, amortization and finance costs.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment. The Income Tax Department has filed an appeal against this order before the Appellate Tribunal Inland Revenue, which is currently pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>

2	October 6 th 2020	Federal Board of Revenue	2015	0.96	Pending - Commissioner Appeals	<p>In February 2017, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2015. The proceedings were concluded on 06 October 2020, and an order was issued amounting to Rs. 77,075,217 on various contentions. Which mainly includes expenses apportionment, promotional expenses, amortization and excess depreciation.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who, remanded back the case for fresh proceedings. After appeal effect proceedings, demand created on account of apportionment of expenses and depreciation were deleted and for promotional expenses demand was reduced to Rs. 961,772. The company has filed an appeal against both these issues with the Commissioner Appeals which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
3	July 15, 2021	Federal Board of Revenue	2017	0.66	Pending - Commissioner Appeals	<p>As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer has issued Order and raised the demand of Rs. 5,218,952 (inclusive of default surcharge) on account of non-withholding of tax on certain expenses including sales promotion and advertisement under section 156 of the Ordinance. The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment and upheld demand of Rs. 664,128 on account of travelling and daily allowance.</p> <p>The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
Total				37.61		

6.11.2. Commitments

6.11.2.1. Letter of Credit

- Out of aggregate facility of Rs. 705 million (30 June 2023: Rs. 605 million) for opening letters of credits, the amount utilized as at 31 March 2024 for capital expenditure was Rs. Nil (30 June 2023: Rs. 1.00 million) and for other than capital expenditure was Rs. 41.70 million (30 June 2023: Rs. 1.00 million). These facilities are secured by pari passu charge over all present and future current assets and plant & machinery of the Company and lien over import documents (30 June 2023: pari passu charge over all present and future current assets and plant & machinery of the Company with 25% margin and lien over import documents)
- The Company has facility i.e. letters of credit of Rs. 250 million (30 June 2023: Rs. 250 million) available from Islamic banks. The amount utilized as at 31 March 2024 for capital expenditure was Rs. Nil (30 June 2023: Rs. Nil) and for other than capital expenditure was Rs. Nil (30 June 2023: Rs. Nil). This facility is secured by pari passu charge (30 June 2023: pari passu charge) over all present and future current assets and plant & machinery of the Company with 25% margin.

6.11.2.2. Letter of Guarantee

- Out of the aggregate facility of Rs. 85 million (30 June 2023: Rs. 85 million) for letter of guarantees (which is the sublimit of running finance and letter of credits), the amount utilized as at 31 March 2024 was Rs. 21.2 million (30 June 2023: Rs. 12.75 million).
- The Company has facility i.e. letter of guarantee of Rs. 50 million (30 June 2023: Rs. 50 million) available from Islamic bank, the amount utilized as at 31 March 2024 was Rs. Nil (30 June 2023: Rs. Nil).

6.12. COMPARATIVE FINANCIAL ANALYSIS WITH PEER GROUP COMPANIES

Comparable peers are defined in terms of the similar nature of products and services offered by the Company, similar revenues and profits, and target market etc. BFBL's Floor Price of PKR 55.00/- per share, based on annual earnings for Trailing Twelve Months (TTM), translates to a trailing price to earnings (P/E) multiple of 9.38 times as compared to industry average of 20.34 times. Similarly, price to book value (P/B) multiple based on 9 Months FY 2024 book value translates into P/B multiple of 1.52 times as compared to industry average of 3.03 times.

Company	EPS (TTM)	Gross Profit Margin ⁶²	Net Profit Margin ⁶³	BVPS	MVPS ⁶⁴	P/E ⁶⁵	P/B ⁶⁶	ROE (LTM)	ROA (LTM)	Free Float (Shares) ⁶⁷	Free Float %
Highnoon Labs. Ltd*	51.01	49.52%	13.09%	179.46	698.82	13.70	3.89	31.23%	21.13%	23,842,513	45.00%
Haleon Pak. Ltd*	21.83	26.89%	7.58%	84.54	412.19	18.88	4.88	29.63%	12.96%	15,697,208	13.41%
AGP Ltd.*	5.27	44.66%	9.02%	38.87	98.57	18.70	2.54	14.06%	8.84%	84,000,000	30.00%
Hoechst Pak. Ltd.*	184.05	27.44%	7.20%	622.94	1950.0	10.59	3.13	33.72%	14.91%	964,476	10.00%
Citi Pharma Ltd.**	3.53	12.12%	6.17%	24.00	34.54	9.79	1.44	15.06%	7.84%	79,961,420	35.00%
Macter Int. Ltd.**	7.74	41.00%	5.15%	68.26	111.50	14.40	1.63	11.97%	7.05%	16,033,856	35.00%
IBL Healthcare Ltd.**	2.59	34.69%	5.29%	26.72	31.36	12.10	1.17	10.10%	6.25%	21,418,691	25.00%
Abbott Lab. Pak. Ltd.*	32.70	23.80%	5.30%	209.82	731.95	22.38	3.49	17.31%	8.88%	21,098,617	21.55%
Ferozsons Lab. Ltd.**	5.43	28.99%	1.56%	150.80	299.08	55.13	1.98	3.66%	2.13%	17,387,621	40.00%
GlaxoSmith Kline Pak. Ltd.*	7.46	12.25%	4.65%	73.26	163.38	21.91	2.23	10.78%	5.97%	63,693,456	20.00%
Otsuka Pak. Ltd.*	(0.39)	18.24%	(0.15%)	58.08	131.90	N/A	2.27	(0.72%)	(0.21%)	1,815,000	15.00%
The Searle Co. Ltd.**	(0.44)	46.00%	(0.95%)	62.54	57.44	N/A	0.92	(0.76%)	(0.43%)	255,747,212	50.00%
Sector Average						20.34	3.03				
Sector Median						14.05	2.25				
KSE-100						4.44 ⁶⁸	0.91 ⁶⁹				
BFBL (Pre-issue)	5.87	40.35%	10.49%	36.13	55.00	9.38	1.52	17.67%	6.30%	25,000,000	28.30%
BFBL (Post-issue)						13.08	1.33				

* Based on June 30th, 2024 financial results

** Based on March 31st, 2024 financial statements

⁶² LTM Gross Profit Margin

⁶³ LTM Net Profit Margin

⁶⁴ Closing price is at 6th September 2024

⁶⁵ P/E is at 6th September 2024 (Market Capitalization / TTM Profit After Tax)

⁶⁶ P/B is at 6th September 2024 (Market Capitalization / Total Equity)

⁶⁷ Free Float as at 6th September 2024

⁶⁸ KSE-100 P/E TTM is at 31st March 2024

⁶⁹ KSE-100 P/B as at 31st March 2024

6.13. REVALUATION OF FIXED ASSETS

During the 9-month period ended 31st March 2024, the company revalued its operating assets classified under the categories of land, building & civil works, machinery & equipment. The valuation of land, measuring 16 Kanals 10 Marlas, located at 5 KM Sunder Raiwind Road, Lahore, was carried out by an independent valuer Hamid Mukhtar & Co. (Pvt) Ltd.; on the basis of present market values for similar sized plots in the vicinity for land.

Capitalized Asset:

S. No	Particular	Closing Book Value in PKR 31 st March 2024	Revaluation Surplus	Fair Value in PKR at 31 st March 2024
1	Freehold Land	25,360,500	40,639,500	66,000,000
2	Building & Civil Works	3,248,423	253,251,577	256,500,000
3	Machinery & Equipment	110,728,583	492,318,417	603,047,000
	Total	139,337,506	786,209,494	925,547,000

Capital Work in Progress:

S. No	Particular	Closing Book Value in PKR 30 th June 2023	Revaluation Surplus	Fair Value in PKR at 31 st March 2024
1	Civil Works and Plant & Machinery	3,982,657,551	730,138,449	4,712,796,000

The said revaluation surplus relating to capitalized assets and capital work in progress is not incorporated in audited financial statements for the period ended March 31st, 2024, since these assets are carried at cost as per the accounting policy of the company. However, since it is a material information, the same has been disclosed in prospectus.

6.14. DIVIDEND POLICY

The Company intends to follow a consistent profit distribution policy for its members, subject to profitability, availability of adequate cash flows, the Board's recommendation and shareholders' approval, where required.

The rights in respect of capital and dividends attached to each ordinary share are and will be the same. The Company in its general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors. Dividend, if declared in the general meeting, shall be paid according to the provisions of the Companies Act.

The Board of Directors may from time to time declare interim dividends as appear to it to be justified by the profits of the Company. No dividend shall be paid otherwise than out of the profits of the Company for the year or any other undistributed profits.

No unpaid dividend shall bear interest or mark-up against the Company. The dividends shall be paid within the period laid down in the Companies Act.

Under Section 242 of the Companies Act, any dividend payable in cash by a listed company, shall only be paid through electronic mode directly into the bank account designated by the entitled shareholder.

Therefore, the applicants must fill-in the relevant part of the Shares Subscription Form under the heading, "Dividend Mandate".

As an emerging company, BFBL has not adopted a dividend paying policy and invest heavily in expansion and growth of the company. Post listing, depending on the company's cash flows, dividend payments will be considered and approved by the Board of Directors.

Covenants / Restriction on Payment of Dividends:

It is stated that there is no restriction on BFBL by any regulatory authority, creditor, stakeholder etc. on the distribution and capitalization of its profits except for a customary clause, which requires consent of Habib Bank Limited (long term project loan lender) to take before paying any dividend.

6.14.1. Eligibility for Dividend

The ordinary shares issued shall rank pari passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

6.15. DIVIDEND PAYOUT OF LISTED ASSOCIATED COMPANIES

BFBL does not have any listed subsidiary or an associated company over which it has control. The dividend payout history of its parent company Ferozsons Laboratories Limited is given below:

Description	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
	Audited	Audited	Audited	Audited	Audited
Cash Dividend Per Share (Rs.)	6	4	10	5	-
Bonus Issued %	-	20	-	20	-
EPS (Re-stated) ⁷⁰ (Rs.)	5.8	9.1	16.7	11.8	4.4
Cash Dividend Payout Ratio	103%	44%	60%	42%	-

⁷⁰ https://ferozsons-labs.com/wp-content/uploads/2023/10/3-Annual-Report-2022-23_web-1.pdf

7. BOARD AND MANAGEMENT OF THE COMPANY

7.1. BOARD OF DIRECTORS

Directors of the Company are listed below:

S. #	Name	Designation	Address	CNIC	Current Directorships	Past Directorships	Directorship in BFBL since
1	Akhter Khalid Waheed	Executive	99-Faizabad, Muree Road, Rawalpindi	37405-0348706-0	1. Ferozsons Laboratories Limited 2. KFW Factors (Pvt.) Limited	N/A	2006
2	Osman Khalid Waheed	Non-Executive Director	99-Faizabad, Muree Road, Rawalpindi	37405-0384955-7	1. Ferozsons Laboratories Limited 2. Packages Limited 3. National Management Foundation	Nestle Pakistan	2006
3	Munize Azhar Peracha	Non-Executive Director	H. No. 890, Ameer Pura, Green Acre Scheme, Lahore	35202-2778956-0	1. Ferozsons Laboratories Limited 2. KFW Factors (Pvt.) Limited	N/A	2006
4	Sebastian Martin Ferrarassi	Chairman & Non-Executive Director	De Los Nardos 2650, Ciudad, Jardin, Buenos Aires, Argentina	AAF852264	None	N/A	2021
5	Amna Piracha Khan	Non-Executive Director	House NO 16, G6/3 Islamabad	61101-7905821-6	Ferozsons Laboratories Limited	N/A	2024
6	Naveed Kamran Baloch	Independent Director	House No.226/2, Street No. 36, Khayaban e Roomi, Phase 8, DHA, Karachi East0	42301-0910815-5	None	1. SNGPL 2. PIA	2024
7	S M Wajeeh Uddin	Independent Director	258/2, Street No.20, Khayaban e Faisal, Phase 8, DHA, Clifton Cantt., Karachi South	42201-4564592-3	None	Pfizer Pakistan Limited	2024

7.2. PROFILES OF DIRECTORS

7.2.1. Mrs. Akhter Khalid Waheed

Mrs. Akhter Khalid Waheed has been serving as the CEO of the company since 2016. Prior to this role, she was the CEO of the parent company for over 20 years during which the company achieved several milestones including partnerships with world's renowned companies Boston Scientific, Gilead Sciences and others. She possesses more than 40 years of extensive industry experience.

7.2.2. Mr. Osman Khalid Waheed

Mr. Osman Khalid Waheed has been serving as a non-executive director on the company's board. He possesses over 30 years of experience and is currently the CEO of the parent company. Additionally, he holds several directorships in other blue-chip companies such as Ferozsons Laboratories Limited, Packages Limited, Pakistan Center for Philanthropy and National Management Foundation.

7.2.3. Mrs. Munize Azhar Peracha

Mrs. Munize Azhar Peracha has been serving as a non-executive director on the company's board and possesses over 25 years of extensive industry experience. She effectively contributes to the board's successful decision-making and has also been associated with the parent company's Board.

7.2.4. Mr. Sebastian Martin Ferrarassi

Mr. Sebastian Martin Ferrarassi serves as Chairperson on the Company's Board and represents the interests of Bago Laboratories and serves as a director and chairman on the company's board. He possesses over 30 years of enriched experience relating to pharma industry, which enables him to contribute effectively to the board's decision-making process.

7.2.5. Mrs. Amna Piracha Khan

Mrs. Amna Piracha Khan is serving on the Board of Ferozsons Laboratories Limited since 2014. She is currently Partner of Khan & Piracha – a legal firm providing services to various national and multinational companies and institutions, diplomatic missions on civil, corporate, power and energy, investment, operational issues, property and land matters as well as on labor laws and human resource matters.

Mrs. Piracha holds a Masters in Journalism from Punjab University, a Masters in Comparative Literature from University of Nice in France in addition to holding a Masters in German language and a law degree from University of Sindh in Karachi.

Mrs. Piracha has previously been a Member of the National Assembly of Pakistan (1989-90), member of the Pakistan's delegate to the Inter Parliamentary Union meeting in Geneva (1989) and Pakistan's nominee for election to the United Nations Human Rights Commission (1996). She has also been a trustee for Mianwali Education Trust.

7.2.6. Mr. Naveed Kamran Baloch:

Mr. Naveed Kamran Baloch is retired civil servant, who has served at top bureaucratic positions in Government of Pakistan. He holds MSc. Degree in Social Policy and Planning in Developing Countries from London School of Economics, UK. He is a Certified Director from Pakistan Institute of Corporate Governance.

Mr Naveed Kamran Baloch joined Civil Service of Pakistan in 1985. He has vast professional experience in senior management positions in diversified fields such as public sector management, administration, financial, judicial, health, insurance and planning etc.

He has served as Secretary Cabinet Division and Chief Secretary Khyber Pakhtunkhwa Province. He also held the office of Federal Secretary, Ministry of National Health Services, Regulation & Coordination. Further, he also led the Board of State Life Insurance Corporation of Pakistan as Chairman.

7.2.7. S M Wajeeh Uddin:

Mr. Wajeeh Uddin is a seasoned chartered accountant, having 30+ years of pharma industry experience. His last assignment was as Chief Executive Officer with Pfizer Pakistan.

Before appointment as Chief Executive Officer of Pfizer Pakistan, he held Finance Director positions with different companies including Pfizer and Parke Davis.

He possesses in-depth understanding regarding market and regulatory dynamics of pharma industry. Under his leadership, Pfizer Pakistan's operations were significantly expanded.

7.3. NUMBER OF DIRECTORS

Pursuant to Section 154 of the Companies Act, 2017 a listed Company shall not have less than seven (7) directors. At present, the Board consists of 7 directors, including the Chief Executive Officer.

7.4. PROFILE OF SENIOR MANAGEMENT

7.4.1. Mrs. Akhter Khalid Waheed - Chief Executive Officer

Mrs. Akhter Khalid Waheed has been serving as the Chief Executive Officer of the company since 2016. Prior to this role, she was a non-executive director on the board of BF Biosciences Limited since year 2006. Alongside, she also served as the CEO of the parent company for over 20 years. During her tenure with parent company, the company achieved several significant milestones, including forming partnerships with globally renowned companies such as Boston Scientific and Gilead Sciences. With more than 40 years of extensive industry experience, Mrs. Akhter Khalid Waheed has a proven track record of driving growth and innovation. She ensured the successful turnaround of various projects at BF Biosciences, leveraged international partnerships, and collaborated locally to boost both top and bottom-line growth. Notably, during the COVID-19 pandemic, she effectively tapped international markets to distribute Remdesivir injections across developing countries under Gilead's patient access program.

As CEO, Mrs. Akhter Khalid Waheed brings strategic vision, operational excellence, and robust financial oversight. She excels in stakeholder management, cultivating strong relationships with partners, clients, and investors. Her leadership is marked by a commitment to innovation, risk management, and fostering a high-performance culture within the organization.

7.4.2. Mr. Farhan Rafiq - Chief Operating Officer

Mr. Farhan Rafiq, Chief Operating Officer, brings extensive expertise in finance, operations, and strategic management particularly in the pharma industry. He is a Chartered Accountant both from Institute of Chartered Accountants of Pakistan (ICAP) and the Institute of Chartered Accountants in England and Wales (ICAEW). He has a proven track record of turning around challenging projects (including arranging financings), ensuring they are completed on time and within planned budget. Mr. Farhan excels in project management, having led numerous high-profile projects from inception to completion, coordinating cross-functional teams for seamless execution. In BF Biosciences he led the Rs 4 billion brownfield expansion from conception including project plan, finalization of business model, financial close, negotiations with the OEM vendors and implementation of the expansion project.

He also possesses in-depth experience relating to mergers and acquisitions, including overseeing due diligence process, negotiations and post-merger integrations. As COO, Farhan provides strategic direction, drives operational excellence and fosters a culture of high performance. His leadership ensures the efficiency and effectiveness of day-to-day operations, while his financial oversight supports informed decision-making and resource optimization. Farhan's ability to cultivate strong relationships with stakeholders and manage risks effectively further solidifies his role as a key leader in the organization.

7.4.3. Mr. Abdur Rehman – Chief Financial Officer and Company Secretary

Mr. Abdur Rehman serves as the Chief Financial Officer and Company Secretary, bringing a wealth of expertise in financial management and corporate governance. He has a proven track record of navigating the company through financially challenging times, such as during the COVID-19 pandemic, by effectively ensuring cash flows and securing financing lines from banks. His proficiency in managing risks in hyperinflationary environments has been crucial for the company's stability and growth. Mr. Rehman played a key role in managing the Company's expansion project and was a key member of the project implementation committee. He also worked with the parent company at different levels and possesses in-depth expertise relating to pharmaceutical sector.

He also has strong secretarial management skills, overseeing corporate governance and regulatory compliance. Additionally, he excels in financial planning and analysis, budgeting, and strategic financial decision-making. His ability to foster relationships with financial institutions and stakeholders further enhances his contribution to the company. Mr. Rehman's leadership in optimizing operational costs and enhancing financial performance underscores his vital role in the organization's success.

7.4.4. Mr. Aamir Zafar - Group Chief Commercial Officer

Mr. Aamir Zafar is a veteran pharma professional having over two decades sales and marketing experience in the pharma industry. He is known for turnarounds in the pharma sector, under his leadership both Ferozsons and BF Biosciences have outperformed the industry. He is leading the vision 2025 of the group where we are targeting to double the topline by 2025. His previous assignments were with Highnoon, Hilton and Searle, where he significantly contributed to the growth.

7.4.5. Mr. Khurram Rafiq Ahmed - Director Plant Operations

Mr. Khurram Rafiq Ahmad is a dynamic pharmaceutical professional having an immense experience spanning over almost 2 decades both locally and abroad. He brings with him a strong academic background having B Pharm and M Pharm in Pharmaceutics along with exposure of serving at leadership roles in both national and multinational organizations including Abbot laboratories, Reckitt benckiser and GSK.

He is GSK globally certified GMP auditor along with having versatile background of Pharmaceutical Manufacturing & Supplies, Commercial Quality, Research & Development and Quality Operations.

7.4.6. Mr. Rashid Hussain - Director Commercial

Mr Rashid Hussain leads the commercial team of BF Biosciences, he has turnaround the existing portfolio of the company with expansion of commercial teams and product portfolio. He possesses over two decades sales and marketing experience in the of pharma industry. He is a key strategic leader with hands on execution skills and has deep understanding of different therapeutic's including antibiotics, Dermatology, Oncology, Gynae, Pead's, cardiology and endocrinology. In his previous roles he worked with leading pharma companies including AGP and Merck Serono.

7.4.7. Mr. Muhammad Muzammil Ijaz - Head of Internal Audit

Mr Muzammil is Head of Internal audit, he is a Chartered Accountant by profession and looks after the compliance and governance function in the company. He has strong credentials in the audit, risk, compliance and governance of public companies through his experience with Ernst and Young Pakistan.

7.5. QUALIFICATION OF DIRECTORS

No person shall be appointed as a Director of the Company who is ineligible to be appointed as Director on any one or more of the grounds enumerated in Section 153 of the Companies Act or any other law for the time being in force.

7.6. APPOINTMENT AND ELECTION OF DIRECTORS AND CHIEF EXECUTIVE

The directors of the Company are elected for a term of three years in accordance with the procedure laid down in Section 159 of the Companies Act and Article 57.

As per Article 54, the directors shall comply with the provisions of Sections 154 to 159 and Sections 161 and 167 relating to the election of Directors and matters ancillary thereto.

As per Article 57, the Company may by resolution in general meeting, remove a director in accordance with the provisions of the Companies Act.

The current Board of Directors were appointed on 14th June 2024 and the next election is tentatively scheduled for 14th June 2027.

7.7. INTEREST OF DIRECTORS AND PROMOTERS

The directors may deem to be interested to the extent of fees payable to them for attending the Board meetings. The Directors performing whole time services in the Company may also be deemed interested in the remuneration payable to them by the Company. The nominee directors have interest in the Company to the extent of representing the Sponsor in the capital of the Company.

7.8. REMUNERATION OF THE DIRECTORS

As per article 58, the remuneration of the directors shall from time to time be determined by the Board of the Company in general meeting subject to the provisions of the Act.

As per article 69, the terms and conditions and remuneration of the Chief Executive shall be determined by the Board.

Apart from remuneration of CEO, there are no benefits provided to any director during the last three years. Given below is the remuneration paid (in PKR million) to the CEO over the last 3 years:

Name of Director	Designation	FY 2021	FY 2022	FY 2023
Akhter Khalid Waheed	Chief Executive Officer	23	26	12

Note: Includes benefits and prerequisites.

7.9. BENEFITS TO PROMOTERS AND OFFICERS

No benefit has been given or is intended to be given by the Company to the promoters and officers of the Company other than remuneration for services rendered by them as full-time executives of the Company.

7.10. VOTING RIGHTS

As per article 45, on a show of hands every member entitled to vote and present in person or by proxy shall have one vote except for election of directors in which case the provisions of Section 159 shall apply. On a poll every member shall have voting rights as laid down in Section 134.

According to article 48, a member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy may vote, whether on a show of hands or on a poll or through the video link, by his committee or other legal guardian and any such committee or guardian may, on a poll, vote by proxy.

7.11. AUDIT COMMITTEE

The Board of Directors has set up an effective internal audit function managed by suitable qualified and experienced personnel who are conversant with the policies and procedures of the Company and are involved in the internal audit function on a full-time basis.

The Audit Committee was formed on June 14, 2024 and comprises of the following members:

- S M Wajeeh Uddin - Chairman
- Mrs. Amna Piracha Khan - Member
- Mr. Osman Khalid Waheed - Member

- Mr. Naveed Kamran Baloch - Member

7.12. HUMAN RESOURCE AND REMUNERATION COMMITTEE

The Board of Directors has set up an effective Human Resources function managed by suitable and qualified personnel who are conversant with the policies & procedures of the Company and are involved in Human Resources function on a full-time basis.

The Human Resource and Remuneration Committee comprises of the following members:

- Mr. Naveed Kamran Baloch - Chairman
- Mrs. Akhter Khalid Waheed - Member
- Mr. Osman Khalid Waheed - Member
- S M Wajeed Uddin - Member

7.13. BORROWING POWERS OF DIRECTORS

As per article 27, the Board may from time to time borrow any moneys for the purposes of the Company from the members or from any other persons, firms, companies, corporations, institutions or banks, without indulging in the investment business or the directors may themselves advance any money to the Company.

As per article 28, Board may secure payment of such sum or sums of money in such manner and upon such terms and conditions in all respects as they think fit and in particular by the issue of debentures, debenture stocks or redeemable capital of the Company, or by mortgage or charge or other security on the whole or any part of the property, assets and rights of the Company (both present and future), or by making, drawing, accepting or endorsing on behalf of the Company any promissory note or bills of exchange or giving or issuing any other security of the Company.

As per article 29, any bonds, debentures or other securities issued or to be issued by the Company shall be under the control of the Board, subject to the provisions of the Articles, which may issue / assign them upon such terms and conditions and in such manner and for such consideration as shall be considered by the Board to be for the benefit of the Company.

7.14. POWERS OF DIRECTORS

As per article 61, the business of the Company shall be managed by the directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Act or any statutory modification thereof for the time being in force, or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Act or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the directors which would have been valid if that regulation had not been made.

As per article 62, the directors shall appoint a chief executive in accordance with the provisions of Sections 186 and 187 of the Act.

As per article 63 and the provisions of Section 183(2) of the Act, the Board may exercise all powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures and other securities whether outright or as collateral security for any debt, liability or obligation of the Company.

As per article 64, the directors shall duly comply with the provisions of the Act, or any statutory modification thereof for the time being in force, and in particular with the provisions in regard to the registration of the particulars of mortgages, charges and pledge affecting the property of the Company or created by it, to the keeping of a register of the directors, and to the sending to the registrar of an annual list of members, and a summary of particulars relating thereto and notice of any consolidation or increase of share capital, or sub-

division of shares, and copies of special resolutions and a copy of the register of directors and notifications of any changes therein.

7.15. INDEMNITY AVAILABLE TO DIRECTORS AND OTHER EMPLOYEES OF THE COMPANY

As per article 116, every director, chief executive, manager or officer of the Company or any person (whether an officer of the Company or not), employed by the Company as an auditor or advisor shall be indemnified out of the funds of the Company against any liability incurred by him, as such director, chief executive, manager, officer, auditor or advisor, in defending any proceedings, whether civil or criminal, in which judgement is given in his favor or in which he is acquitted, or in connection with any application under Section 492 of the Act in which relief granted to him by court.

As per article 117, no director, chief executive, manager or officer of the Company will be liable for the acts, receipts, neglects or defaults of any other directors or any officer or for joining in any receipt of other act for conformity, or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the directors, chief executive, or other officer for or on behalf of the Company, or for insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arises from the bankruptcy, insolvency, or torturous act of any person with whom any moneys, securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution of the duties of his office or in relation thereto, unless the same happens through his own dishonesty.

7.16. CORPORATE GOVERNANCE

The Company shall comply with all the rules and regulations applicable to the Company with regards to the Listed Companies (Code of Corporate Governance) Regulation, 2019.

As a subsidiary of a listed Company, Ferozsons Laboratories Limited, BFBL is in compliance with majority of requirements of Code of Corporate Governance.

8. LEGAL PROCEEDINGS AND OVERDUE LOANS

8.1. LEGAL PROCEEDINGS

Pending litigations and tax contingencies are considered to have remote impact - details of which are given as follows:

Sr No.	Order Dated	Issuing Authority	Tax Period	Financial Impact (PKR Mn)	Current Status	Background of the Case and Management Stance
1	June 29 th 2020	Federal Board of Revenue	2014	35.99	Pending in Appellant Tribunal	<p>On 15 June 2020, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2014. The proceedings were concluded on 29 June 2020, and an order was issued amounting to Rs. 35,992,726 on various contentions, which mainly includes promotional expenses, amortization and finance costs.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment. The Income Tax Department has filed an appeal against this order before the Appellate Tribunal Inland Revenue, which is currently pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
2	October 6 th 2020	Federal Board of Revenue	2015	0.96	Pending - Commissioner Appeals	<p>In February 2017, the ACIR issued a show-cause notice to the Company u/s 122(9) of the Income Tax Ordinance, 2001 for the tax year 2015. The proceedings were concluded on 06 October 2020, and an order was issued amounting to Rs. 77,075,217 on various contentions. Which mainly includes expenses apportionment, promotional expenses, amortization and excess depreciation.</p> <p>The Company had filed an appeal against this demand before Commissioner Appeals who, remanded back the case for fresh proceedings. After appeal effect proceedings, demand created on account of apportionment of expenses and depreciation were deleted and for promotional expenses demand was reduced to Rs. 961,772. The company has filed</p>

						an appeal against both these issues with the Commissioner Appeals which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.
3	July 15, 2021	Federal Board of Revenue	2017	0.66	Pending - Commissioner Appeals	<p>As a result of monitoring proceedings of withholding taxes for tax year 2017, the Assessing Officer has issued Order and raised the demand of Rs.5,218,952 (inclusive of default surcharge) on account of non-withholding of tax on certain expenses including sales promotion and advertisement under section 156 of the Ordinance. The Company had filed an appeal against this demand before Commissioner Appeals who deleted the existing demand and remanded back some matters to the learned officer for re-assessment and upheld demand of Rs.664,128 on account of travelling and daily allowance.</p> <p>The Company has filed an appeal against this order before the Appellate Tribunal Inland Revenue which is pending. Management is confident that the eventual outcome of the matter will be decided in favor of the Company.</p>
Total				37.61		

8.2. OVERDUE LOANS

There are no overdue loans (local or foreign currency) on the Company, its Sponsors and promoters, substantial shareholders, directors and associated group companies (over which the Company has control). The Company, its CEO, its directors and its Sponsors, under the oath, undertake that they have no overdue payment to any financial institutions.

8.3. ACTIONS TAKEN BY PSX AGAINST THE ISSUER OR ASSOCIATED LISTED COMPANIES OF THE ISSUER DURING THE LAST THREE YEARS DUE TO NON-COMPLIANCE OF ITS REGULATIONS

No action has been taken by the Securities Exchange against the issuer or its associated companies over which the issuer has control.

9. UNDERWRITING ARRANGEMENT, COMMISSIONS, BROKERAGE AND OTHER EXPENSES

9.1. CREDIT UNDERWRITING

Book Building Portion

Arif Habib Limited has been appointed as the Book Runner to the Issue. The Book Runner will credit underwriter 25,000,000 shares being offered for subscription through the book building representing 100% of the Issue as required under regulation 7(6) of the PO Regulations, with the limitations in effect that the Book Runner shall only underwrite the default portion of the Book Building, if any, at the Strike Price determined through the Book Building process.

9.2. COMMISSION OF THE BANKERS TO THE ISSUE

Commission at the rate of 0.25% (inclusive of all taxes) of the amount collected on allotment in respect of successful applicants will be paid by the Company to the Bankers to the Issue for services to be rendered by them in connection with the Retail Portion of the Issue.

9.3. FEE AND EXPENSES FOR PSX E-IPO SYSTEM (PES) AND CENTRALIZED E-IPO SYSTEM ("CES")

Commission on application received through the e-IPO Systems of PSX and CDC will be paid to PSX and CDC which shall not be more than 0.8% of the amount of the total applications. PSX and CDC will share the fee with other participants of the e-IPO System at a ratio agreed amongst them.

9.4. BROKERAGE

For this Issue, brokerage shall be paid to the TRE Certificate Holders of PSX at the rate of 1.00% of the value of shares (including premium, if any) on successful applications for Book Building and General Public Portion. No brokerage shall be payable in respect of shares taken up by the Successful Bidders pursuant to under subscription of retail portion of the Issue.

9.5. ESTIMATED EXPENSES OF THE ISSUE

Expenses to the Issue are estimated not to exceed PKR **48,618,375/-**. The break-up of these preliminary expenses is given below:

Particulars	Rate	Expense (PKR)
Advisory, Arrangement & Book Running Fee ⁷¹	1.45%	19,937,500
Commission to bankers for General Public ⁷²	0.25%	859,375
CDC and PSX e-IPO facility charges ⁷³	0.80%	550,000
Bankers to the issue out of pocket expenses		200,000
TREC Holders Commission	1.00%	13,750,000
PSX Initial Listing fee		265,000
PSX Service fee		50,000
PSX Book Building software charges		1,000,000
Share Registrar, Transfer Agent and Balloting Agent		800,000
Printing of Prospectus and Forms		
Publication of Prospectus and Advertisements in Newspapers and Urdu Translation of Prospectus		7,000,000
Marketing, Roadshows and other activities		
CDC Fresh Issue fee	0.144%	1,980,000
CDC Eligibility fee		1,000,000
SECP Supervisory fee		26,500
SECP IPO Application Processing fee		200,000
Miscellaneous Expenses		1,000,000
Total		48,618,375

⁷¹ Please note that fee mentioned in percentages above are calculated on the basis of Floor Price. The actual fee will be finalized once the strike price is determined in the book building process

⁷² Commission for Banker to General public is based on assumption of 100% general public subscription through Bankers to the Issue

⁷³ E-IPO Facility charges are calculated based on the assumption, if 20% of the general subscription portion is subscribed through E-IPO

10. MISCELLANEOUS INFORMATION

10.1. REGISTERED OFFICE / CORPORATE OFFICE

10.1.1. Registered Office

197-A, The Mall, Rawalpindi, Pakistan

Tel: +92 51 4252155-57

Fax: +92 51 4252153

Email: info@bfbio.com

10.1.2. Corporate Office / Head Office

5 KM Sunder Raiwind Road, Raiwind, Pakistan

Tel: +92 42 36026700

Fax: +92 42 36026701-02

Email: info@bfbio.com

10.2. BANKERS AND FINANCIAL INSTITUTIONS TO THE COMPANY

S. No.	Name	Address	Contact No.	Email
1	Habib Bank Limited	102 - 103, Upper Mall Road Branch, Lahore	Ms. Beenish Imran 0333-4291515	beenish.imran@hbl.com
2	Meezan Bank Limited	12th Floor, Tricon Corporate Center, Gulberg, Lahore	Ms. Sana Farooq 0306-4712142	sana.farooq@meezanbank.com
3	Allied Bank Limited	Corporate Center 2nd Floor, 3 - Babar Block, Main Boulevard, New Garden Town, Lahore	Mr. Asad Jaffery 0322-4766261	asad.jaffery@abl.com

10.3. AUDITOR OF THE COMPANY

Name: KPMG Taseer Hadi & Co. Chartered Accountants

Address: 351 Shadman-1, Jail Road, Lahore, Pakistan

Contact Person: Mr. Ahsin Tariq

Designation: Partner

Tel: 0333-4606290

Email: ahsinTariq@kpmg.com

10.4. LEGAL ADVISOR OF THE COMPANY

Name: Khan & Piracha

Address: No. 1, Second Floor, Block 6-B, Markaz F/6, Islamabad

Tel: 051-2875542

Email: kp@comsats.net.pk

10.5. COMPUTER BALLOTTERS & SHARE REGISTRAR

Name: CDC Share Registrar Services Limited

Address: CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400.

Email: info@cdcsrsl.com

Website: www.cdcpakistan.com

Phone: 021-111 111 500

10.6. LEAD MANAGER & BOOK RUNNER

Name: **Arif Habib Limited**
 Address: Arif Habib Center
 23, MT Khan Road, Karachi
 Tel: 021-3828 0224, 021-3828 0271
 Fax: 021-3243 3542
 Email: raheel.ahmed@arifhabibltd.com
 Website: www.arifhabibltd.com

10.7. BANKER TO THE ISSUE FOR BOOK BUILDING

Habib Bank Limited and Meezan Bank Limited

10.8. BANKERS TO THE ISSUE FOR GENERAL SUBSCRIPTION

S. No	Banks
1	Habib Bank Limited
2	Meezan Bank Limited
3	Faysal Bank Limited
4	Habib Metropolitan Bank Limited

The Book Runner has established bid collection centers at the following addresses:

Karachi		
Contact Officer:	Raheel Ahmed	Saif Ul Haq
Designation	Associate	Analyst
Direct No.:	021 38280271	021 38280223
Email:	Raheel.ahmed@arifhabibltd.com	saif@arifhabibltd.com
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Karachi		
Contact Officer:	Muhammad Faizan Qureshi	Naveed Said
Designation	Analyst	Analyst
Direct No.:	021 38280276	021 38280224
Email:	faizan.qureshi@arifhabibltd.com	naveed.said@arifhabibltd.com
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Islamabad		
Contact Officer:	Asad Abbas Najfi	Suleman Shah
Designation	Manager	Branch Operation Manager
Direct No.:	051 289 5341	051-2820889
Contact No.:	0345 5111156	0333-5340530

Email:	asad.abbasnajfi@arifhabibltd.com	suleman.shah@hbl.com
Organization	Arif Habib Limited	HBL (0874)
Postal Address:	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad	G/Mezzanine Floor HBL Tower Jinnah Avenue, Blue Area, Islamabad
Lahore		
Contact Officer:	Muhammad Mibsam	Sajid Majeed
Designation	Junior Officer	Branch Operation Manager
Direct No.:	+92-21-32434558, +92-21-32462988	042-36281655
Contact No.:	0300 4574434	0321-4626039
Email:	muhammad.mibsam@arifhabibltd.com	sajid.majeed@hbl.com
Organization	Arif Habib Limited	HBL (1242)
Postal Address:	Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal Lahore	Habib Bank Centre, 102/103, Upper Mall Lahore
Faisalabad		
Contact Officer:	Muhammad Naseem Asmat	Masood Hussain
Designation	Branch Manager	Branch Operation Manager
Direct:	+92 41 8531010-13	041-25411437
Contact No.:	0322-8661318	0321-7663256
Email:	naseem.asmat@arifhabibltd.com	masood.hussain50@hbl.com
Organization	Arif Habib Limited	HBL (0143)
Postal Address:	Office # 4 th , 3 rd Floor, Legacy Tower. Near Kohinoor city, Faisalabad	P-832/A-1 Block 10, Circular Road Faisalabad
Peshawar		
Contact Officer:	Zeeshan Ahmad	Masroor Rafi
Designation	Assistant Manager	Branch Operation Manager
Direct:	-	091-5277580
Contact No.:	0345 9381820	0333-9329553
Email:	zeeshan.ahmad@arifhabibltd.com	masroor.rafi@hbl.com
Organization:	Arif Habib Limited	HBL (0959)
Postal Address:	F-16/F-17, 1ST Floor, The Mall Tower, Peshawar Cantt.	Cantonment Plaza Peshawar Saddar
Multan		
Contact Officer:	Alam Akhter	Muhammad Yaseen
Designation	Manager	Branch Operation Manager
Direct:	+92 61 8000 800, +92 61 451 4412	061-4589501-2
Contact No.:	0321 639 3919	0333-3929356
Email:	Alam.akhtar@arifhabibltd.com	muhammad.yaseen50@hbl.com
Organization:	Arif Habib Limited	HBL (1270)
Postal Address:	Office # 305, 3rd Floor, United Mall, Abdali Road, Multan	Corporate Centre Multan, HBL Building, Plot # 2523-A Opposite High Court, Old Bahawalpur Road Multan

	Sialkot	Abbottabad
Contact Officer:	Faisal Bashir	Touseef Ahmed
Designation	Branch Operation Manager	Branch Operation Manager
Direct:	052-4603720	0992-330308
Contact No.:	0300-6110200	0334-8962506
Email:	faisal.bashir@hbl.com	touseef.ahmed@hbl.com
Organization:	HBL (0574)	HBL (0281)
Postal Address:	Plot # B-1-16/12-A- Opposite GPO, Paris Road, Sialkot	Shop # 567, Al-Yousaf Plaza, Mansehra Rd. Abbottabad
Quetta		
Contact Officer:	Yasir Arshad	Muhammad Tahir Panezai
Designation	Branch Operation Manager	Branch Manager
Direct:	081-2829376	Direct: 081-2829755
Contact No.:	0333-816557	Cell# 0309-7772570
Email:	yasir.arshad@hbl.com	bm.gta01@meezanbank.com
Organization:	HBL (1649)	Meezan Bank Limited
Postal Address:	402-A, Gulistan Road, Quetta Cantt	BM # Muhammad Tahir Panezai
Azad Kashmir		
Contact Officer:	Syeda Adeela Iqbal	Kashif Hussain
Designation	Branch Operation Manager	Branch Manager
Direct:	05822-920904	05822-920461
Contact No.:	0334-5068248	0300-8157502
Email:	adeela.kazmi@hbl.com	bm.mzd01@meezanbank.com
Organization:	HBL (1165)	Meezan Bank Limited
Postal Address:	Khasra # 02, Chatter Domel Tehsil & Distt Muzaffarabad	Secretariat Road, Sathra Muzafarabad, Azad Jammu & Kashmir
Gilgit/Baltistan		
Contact Officer:	Shahid Karim	OM # Sahafqat Wali Khan
Designation	Branch Operation Manager	Operation Manager
Direct:	05811-450405	05811-458038
Contact No.:	0343-3469621	0346-9219217
Email:	shahid.karim@hbl.com	om.glt9834@meezanbank.com
Organization:	HBL (0107)	Meezan Bank Limited
Postal Address:	Shahrah-E-Quaid-E-Azam Nli Market Gilgit	Shop# 433, NLI Market, Gilgit, Baltistan

11. MATERIAL CONTRACTS

11.1.1. Details of Short-Term Financing Facilities

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Allied Bank Limited	LC Usance – 1 (Foreign/ Local)	130	0.02% Per Quarter	06th Dec 2023	30th Nov 2024
	LC Usance (Foreign) – 1	130	0.02% Per Quarter	06th Dec 2023	30th Nov 2024
	FATR – 1	130	1-month KIBOR + 0.5% pa	06th Dec 2023	30th Nov 2024
	LG Shipping – 1	130	As per Schedule of Charges	06th Dec 2023	30th Nov 2024
	Running Finance (RF)	100	1-month KIBOR + 0.1% pa	06th Dec 2023	30th Nov 2024
	LC Sight (Foreign/ Local)	100	0.02% Per Quarter	06th Dec 2023	30th Nov 2024
	LC Usance (Foreign)	100	0.02% Per Quarter	06th Dec 2023	30th Nov 2024
	FATR – 2	100	1-month KIBOR + 0.5% pa	06th Dec 2023	30th Nov 2024
	LG – Shipping – 2	100	As per Schedule of Charges	06th Dec 2023	30th Nov 2024
	Letter of Guarantee	10	0.4% Per Year	06th Dec 2023	30th Nov 2024
	Letter of Guarantee – (Utilities)	10	0.5% Per Year	06th Dec 2023	30th Nov 2024
	Letter of Guarantee – (Bid-bond)	10	0.4% Per Year	06th Dec 2023	30th Nov 2024
	Letter of Guarantee - (Performance)	10	0.4% Per Year	06th Dec 2023	30th Nov 2024
Habib Bank Limited	Running Finance I	375	Base Rate + 0.75% pa	10th May 2024	31st Jan 2025
	Letter of Credit (FCY/LCY)	375	0.05% Per Quarter	10th May 2024	31st Jan 2025
	Letter of Guarantee	75	0.15% Per Quarter	10th May 2024	31st Jan 2025
	Running Finance II	250	Base Rate	10th May 2024	31st Jan 2025
	Letter of Credit II – Sublimit	250	0.05% Per Quarter	10th May 2024	31st Jan 2025
	Letter of Credit III (FCY)	200	0.05% Per Quarter	10th May 2024	31st Jan 2025
Meezan Bank Limited	Running Musharakah – 1	250	1-month KIBOR + 0.25% pa	27th Dec 2023	30th Nov 2024
	Sight LC – Sublimit	250	0.04% Per Quarter	27th Dec 2023	30th Nov 2024
	Usance LC – Sublimit	250	0.04% Per Quarter	27th Dec 2023	30th Nov 2024
	Letter of Guarantee - Sublimit	50	0.25% Per Quarter	27th Dec 2023	30th Nov 2024
	Shipping Guarantee – Sublimit	250	As per Schedule of Charges	27th Dec 2023	30th Nov 2024
	Musawammah – Sublimit	250	1 Month/3 Month/6 Month KIBOR + 0.25% pa	27th Dec 2023	30th Nov 2024
	Sight LC – 2	100	0.04% Per Quarter	27th Dec 2023	30th Nov 2024

11.1.2. Details of Long-Term Financing Facilities

Bank	Facility	Limit (PKR millions)	Mark-up Commission	Date Sanctioned	Expiry / Review Date
Habib Bank Limited	TERF Scheme	1,240	SBP rate + 1.4% pa	31st Dec 2020	Ten (10) Years from drawdown date (Inclusive of Two (2) Year grace period)
	LC DP (FCY)	1,240	0.075% Per Quarter	31st Dec 2020	30th Nov 2022
	LC DP (LCY) – Sublimit	80	0.075% Per Quarter	31st Dec 2020	30th Nov 2022
Karandaaz Pakistan	Term Loan	835	3% Per Year	11st Dec 2020	Seven (7) Years from drawdown date (Inclusive of Two (2) Year grace period + Five (5) Years SLA on quarterly basis)
MCB Bank Limited	TERF Scheme	850	SBP rate + 0.93% pa	15th Jan 2021	Ten (10) Years from drawdown date (Inclusive of Two (2) Year grace period)
	Demand Finance – FA	850	6-month KIBOR + 0.93% pa	15th Jan 2021	Ten (10) Years
	Letter of Credit – Sight	850	0.08%	15th Jan 2021	31st Dec 2021

11.1.3. Details of Letters of Credit / Bank Guarantees

LC / BG Number	Bank	Beneficiary	Value (PKR)
TF2333894786	Allied Bank Ltd.	Xiamen Innovax Biotech Co., Ltd	7,647,200
ILC12420285324PK	Habib Bank Ltd.	M.J. Biopharm Private Limited	34,064,800
2008/02/CBID/0443	Allied Bank Ltd.	SNGPL Lahore	8,300,000
IGT12420127424PK	Habib Bank Ltd.	Chief Executive Officer, Mayo Hospital, Lahore	2,651,500
IGT12420172323PK	Habib Bank Ltd.	Director SIUT, Karachi	1,250,000
IGT12420270523PK	Habib Bank Ltd.	The Medical Superintendent, Govt M. Nawaz Sharif Teaching Hospital Yakki Gate Lahore	157,125
IGT12420275023PK	Habib Bank Ltd.	Medical Superintendent Benazir Bhutto Hospital Rawalpindi	284,700
IGT12420301923PK	Habib Bank Ltd.	Medical Superintendent Teaching Hospital D.G Khan	1,953,000
IGT12420302023PK	Habib Bank Ltd.	The Medical Superintendent Gmc Teaching Hospital Gujranwala	419,000
IGT12420302123PK	Habib Bank Ltd.	The Medical Superintendent Gmc Teaching Hospital Gujranwala	474,500

IGT12420326523PK	Habib Bank Ltd.	Medical Superintendent Aziz Bhatti Shaheed Teaching Hospital Gujrat	104,750
IGT12420342323PK	Habib Bank Ltd.	Medical Superintendent Govt Teaching Hospital Shahdra Lahore	733,250
IGT12420342723PK	Habib Bank Ltd.	Medical Superintendent Aziz Bhatti Shaheed Teaching Hospital Gujrat	47,450
IGT12420342923PK	Habib Bank Ltd.	Medical Superintendent Services Hospital Lahore	209,500
IGT12420349123PK	Habib Bank Ltd.	Medical Director, The Children'S Hospital (Uchs) Lahore	418,500
IGT12420425423PK	Habib Bank Ltd.	DGMS Wapda For Mangla	21,427
IGT12420425523PK	Habib Bank Ltd.	DGMS Wapda For Tarbela	32,384
IGT12420425623PK	Habib Bank Ltd.	DGMS Wapda For Quetta	13,200
IGT12420425723PK	Habib Bank Ltd.	DGMS Wapda For Sukkur	1,500
IGT12420425823PK	Habib Bank Ltd.	DGMS Wapda For Peshawar	2,400
IGT12420425923PK	Habib Bank Ltd.	DGMS Wapda For Rawalpindi	48,250
IGT12420426023PK	Habib Bank Ltd.	DGMS Wapda For Guddu	72,000
IGT12420426123PK	Habib Bank Ltd.	DGMS Wapda For Multan	73,853
IGT12420426223PK	Habib Bank Ltd.	DGMS Wapda For Hyderabad	39,780
IGT12420426323PK	Habib Bank Ltd.	DGMS Wapda For Lahore	226,878
IGT12420426723PK	Habib Bank Ltd.	DGMS Wapda For Gujranwala	66,690
IGT12420426923PK	Habib Bank Ltd.	DGMS Wapda For Faisalabad	76,725
IGT12420431823PK	Habib Bank Ltd.	Medical Superintendent, Lahore General Hospital	702,000
IGT12420435023PK	Habib Bank Ltd.	Ms. Dr. Faisal Masood Teaching Hospital, Sargodha	822,250
IGT12420443823PK	Habib Bank Ltd.	Chief Executive Officer, Mayo Hospital Lahore	474,500
IGT12420443923PK	Habib Bank Ltd.	Medical Superintendent Gmc Teaching Hospital Gujranwala	474,500
IGT12420502323PK	Habib Bank Ltd.	Medical Superintendent Benazir Bhutto Hospital Rawalpindi	468,000
IGT12420512023PK	Habib Bank Ltd.	Commissioner Pessi Lahore	593,242

11.2. SUPPLIERS & VENDORS

Vendor	Goods / Service Procured	Formal Agreement (Yes / No)	Long term or short-term Agreement
Ferozsons Laboratories Limited*	Pharmaceutical Products	Yes	Long-term
Pharmatec GmbH	Equipment	Yes	Long-term
Syntegon Technology GmbH	Equipment	Yes	Long-term

Azbil Telstar Shanghai Co. Ltd.	Equipment	Yes	Long-term
Hebei Changshan Biochemi	Pharmaceutical Products	In Process	Long-term
Gemabiotech S.A.U.	Pharmaceutical Products	No	N/A
Zelltek S.A.	Pharmaceutical Products	No	N/A
Bago Laboratories PTE Ltd.	Pharmaceutical Products	No	N/A
West Pharmaceutical	Pharmaceutical Products	No	N/A
Shandong Wego Prefills	Pharmaceutical Products	No	N/A
BCN Peptides S.A.U	Pharmaceutical Products	No	N/A
Zydus Lifesciences Limited	Pharmaceutical Products	In Process	Long-term
Aptar Stelmi SAS	Pharmaceutical Products	No	N/A
Cangzhou Four Stars Glass	Pharmaceutical Products	No	N/A
MJ Biopharm (Pvt.) Limited	Pharmaceutical Products	Yes	Long Term
Pakistan State Oil Limited	Petroleum Products	No	N/A
Ferozsons Laboratories Limited	Solar Power Plant Backup **	Yes	Long-term

**BF Biosciences Limited has a formal agreement with Ferozsons Laboratories Limited for the manufacturing of oral medications. Primarily, these products relate to the oral variants of injectable products manufactured or to be manufactured by BF Biosciences Limited. This carries a pricing of cost-plus ten percent markup and a payment term of thirty to sixty days. The agreement has been in place since 2009 and either party can terminate the agreement with three months prior notice.*

*** As per the terms of agreement, BF Biosciences will sell electricity to Ferozsons from its backup generators at average cost of production, whereas any excess electricity generated by Ferozsons through its solar power plant shall be sold to BF Biosciences on the average net metering rate. The settlement of costs is done on quarterly basis.*

11.3. DISTRIBUTORS

Name	Goods / Service Sold	Formal Agreement (Yes / No)	Long term or short-term Agreement
Muller & Phipps Pakistan	Pharmaceutical Products	Yes	Long-term

11.4. INSPECTION OF DOCUMENTS AND CONTRACTS

Copies of the Memorandum and Articles of Association, the Audited Financial Statements, the Auditor's Certificates, copies of the agreements referred to in this Prospectus may be inspected during usual business hours on any working day at the registered office of the Company from the date of publication of this Prospectus until the closing of the subscription list.

11.5. MEMORANDUM OF ASSOCIATION

The Memorandum of Association, inter alia, contains the objects for which the Company was incorporated and the business which the Company is authorized to undertake. A copy of the Memorandum of Association is annexed to this Prospectus and with every issue of the Prospectus except the one that is released in newspapers as advertisement.

11.6. FINANCIAL YEAR OF THE COMPANY

The financial year of the Company commences on 1st July and ends on 30th June.

12. BOOK BUILDING PROCEDURE/INSTRUCTIONS FOR REGISTRATION AND BIDDING

12.1. BOOK BUILDING PROCEDURE

12.1.1. Brief Structure

The Present Issue

The Issue comprises of 25,000,000 Ordinary Shares of face value worth PKR 3/- each, which constitutes 28.30% of the Post-IPO Paid Up Capital of the Company.

The entire Issue of 25,000,000 Ordinary Shares will be offered through the Book Building process at a Floor Price of PKR 55.00/- per share with a price band of 40% above the floor price i.e. PKR 77.00/-.

The bidders shall be allowed to place bids for hundred percent (100%) of the Issue size and the Strike Price shall be the price at which the hundred percent (100%) of the Issue is subscribed. However, the successful bidders shall be provisionally allotted only seventy-five percent (75%) of the Issue size i.e. 18,750,000 shares and the remaining twenty-five percent (25%) i.e. 6,250,000 shares shall be offered to the retail investors.

Unsubscribed shares, if any, of the General Subscription portion will be allocated to Successful Bidders of the Book Building portion on a pro-rata basis.

The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, by the retail investors and their remaining bid money would remain deposited/ blocked till allotment of unsubscribed shares, if any, of the retail portion to them on pro-rata basis. In case the retail portion is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

Within 3 working days of the closing of the Bidding Period, a Supplement to the Prospectus will be published in at least all those newspapers in which the Prospectus is published. The Supplement will contain information related to the Strike Price, the Offer Price, dates of the Public Subscription, and category wise break-up of the Successful Bidders. Format of the Supplement is given on page 3 of this Prospectus.

12.1.2. Types of Bids and Procedure for making a Bid

Book Building is a process whereby investors bid for a specific number of shares at various prices. The Issuer set a Floor Price, which is the minimum / lowest price a Bidder can bid at. An order book of bids is maintained by the Book Runner, which is then used to determine the Strike Price through the “Dutch Auction Method”.

Under the Dutch Auction Method, the Strike Price is determined by lowering the Bid Price to the extent that the total number of shares issued through the Book Building process are subscribed.

A bid by a Bidder can be a “Limit Bid”, or a “Step Bid”, each of which are explained below:

- **Limit Bid:** Limit bid is at the Limit Price, which is the maximum price a Bidder is willing to pay for a specified number of shares.

In such a case, a Bidder explicitly states a price at which he / she / it is willing to subscribe to a specific number of shares. For instance, a Bidder may bid for 1 Mn shares at PKR 55.00/- per share, based on which the total Application Money would amount to PKR 55 Mn. In this case the Bid Amount will be also be PKR 55 Mn. Since the Bidder has placed a Limit Bid of PKR 55.00/- per share, this indicates that he / she / it is willing to subscribe the shares at a price up to PKR 55.00/- per share.

- **Step Bid:** A series of Limit Bids at increasing prices. The amount of any individual step shall not be less than PKR. 1,000,000.
- Under this bidding strategy, Bidders place a number of Limit Bids at different increasing price levels. A Bidder may, for instance, make a bid for 0.7 Mn shares at PKR 55.00 per share, 0.6 Mn shares at PKR 56.00 per share and 0.5 Mn shares at PKR 57.00 per share. Therefore, in essence the Bidder has placed one Step Bid comprising of three Limit Bids at increasing prices. The Application Money would amount to PKR 100.60 Mn, which is the sum of the products of the number of shares Bid for and the Bid price of each Limit Bid. In such

a case, (i) Individual Investors shall deposit PKR 100.60 Mn in the Book Building Account as Margin Money which is 100% of PKR 100.60 Mn and (ii) Institutional Investors shall deposit at least PKR 25.15 Mn in the Book Building Account as Margin Money which is 25% of PKR 100.60 Mn.

RESTRICTIONS:

- (i) **AN ELIGIBLE INVESTOR SHALL NOT:**
- (a) **MAKE BID BELOW THE FLOOR PRICE AND ABOVE THE UPPER LIMIT OF THE PRICE BAND;**
 - (b) **MAKE BID FOR MORE THAN 10% OF THE SHARES ALLOCATED UNDER THE BOOK BUILDING PORTION**
 - (c) **MAKE A BID WITH A PRICE VARIATION OF MORE THAN 10% OF THE PREVAILING INDICATIVE STRIKE PRICE AS PER REGULATION 10(2)(iii) OF THE PO REGULATIONS**
 - (d) **PLACE CONSOLIDATED BID**
 - (e) **MAKE MORE THAN ONE BID SEVERALLY OR JOINTLY**
 - (f) **MAKE DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME; PROVIDED THAT INCASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME; AND**
 - (g) **WITHDRAW BID**
- (ii) **RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND THE BOOK RUNNER SHALL NOT PARTICIPATE IN THE BIDDING PROCESS.**
- (iii) **NO PERSON SHALL TAKE PART IN THE BOOK BUILDING PROCESS, DIRECTLY OR INDIRECTLY SEVERALLY OR JOINTLY IN ANY MANNER OR ENGAGE IN ANY ACT OR PRACTICE WHICH CREATE A FALSE AND MISLEADING APPEARANCE OF ACTIVE BIDDING FOR RAISING OR DEPRESSING STRIKE PRICE IN THE BOOK BUILDING PROCESS.**
- (iv) **AS PER REGULATION 7(8) OF THE PO REGULATION, THE ASSOCIATES OF THE ISSUER AS DISCLOSED IN THE PROSPECTUS SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PER CENT OF THE SHARES OFFERED THROUGH BOOK BUILDING.**
- (v) **AS PER REGULATION 7(9) OF THE PO REGULATIONS, THE ASSOCIATES OF THE LEAD MANAGER TO THE ISSUE AND BOOK RUNNER SHALL NOT IN AGGREGATE MAKE BIDS IN EXCESS OF TEN (10) PERCENT OF THE SHARES OFFERED THROUGH BOOK BUILDING. PROVIDED THAT IT SHALL NOT APPLY TO SUCH ASSOCIATES OF THE LEAD MANAGER AND THE BOOK RUNNER THAT ARE FINANCIAL INSTITUTIONS, MUTUAL FUNDS AND INSURANCE COMPANIES.**

LIST OF ASSOCIATED COMPANIES AND UNDERTAKINGS OF THE ISSUER, NAMES OF RELATED EMPLOYEES OF THE ISSUER, LEAD MANAGER AND BOOK RUNNERS ARE PROVIDED IN SECTIONS 3.14 AND 3A (v).

Once the Bidding Period has lapsed and the book has been built, the, Strike Price shall be determined on the basis of Dutch Auction Method.

Successful Bidders shall be intimated, within one (1) working day of the closing of the Bidding Period, about the Strike Price and the number of shares provisionally allotted to each of them. The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of unsubscribed retail portion, if any, to them on pro-rata basis. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to him / her / it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

As per regulation 9(16) of the PO Regulations, the successful bidders shall be issued shares at the time of issuance of shares to the retail investors. Shares to successful bidders shall be issued only in the form of book-entry through credit in their respective CDS accounts (Investors Account or Sub-Account). All the bidders shall, therefore, provide number of their CDS accounts in the bid application.

The Bidders must provide the bank account details in their Bidding form, so that cash dividend can be credited into their respective International Bank Account Number (IBAN).

12.1.3. Mechanism for Determination of Strike Price

1. At the close of the bidding period, the Strike Price shall be determined on the basis of Dutch Auction Method by the Designated Institution. Under this methodology, the Strike Price is determined by lowering the price to the extent that the total shares offered under the Book Building Portion are subscribed.
2. The Order Book shall display the bid prices in a tabular form in descending order along with the number of shares bid for and the cumulative number of shares at each price level.
3. As per the regulation 9(12) of the PO Regulation, in case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted on proportionate basis against the bids made at the Strike Price.

The mechanism for determination of the Strike Price can be understood by the following illustration:

1. Number of shares being Issued through the Book Building: 25,000,000 Ordinary Shares
2. Floor Price: PKR 55.00/- per Ordinary Share with maximum price band of 40% i.e. PKR 77.00/-per share
3. Bidding Period: From September 25th, 2024 to September 26th, 2024
4. Bidding Time: 9:00am – 5:00pm
5. Bidding Revision Time (Upward Revision only): 9:00am – 5:00pm on all days

Bidder	Price (PKR/share)	Quantity	Cumulative Number of shares	Category of Order
Institution A	59.65	1,000,000	1,000,000	Limit Price
Institution B	59.05	1,500,000	2,500,000	Limit Price
HNWI A	58.10	2,100,000	4,600,000	Step Bid
Institution C	57.80	1,800,000	6,400,000	Limit Price
Institution D	57.35	1,400,000	7,800,000	Limit Price
Institution E	57.10	1,000,000	8,800,000	Limit Price
HNWI B	57.00	1,100,000	9,900,000	Limit Price
HNWI A	56.95	2,500,000	12,400,000	Step Bid
Institution F	56.85	1,300,000	13,700,000	Limit Price
Institution G	56.70	2,500,000	16,200,000	Limit Price
Institution H	56.40	2,000,000	18,200,000	Limit Price
HNWI C	56.10	1,300,000	19,500,000	Limit Price
Institution I	55.70	2,000,000	21,500,000	Step Bid
Institution H	55.50	2,000,000	23,500,000	Limit Price
Institution J	55.10	1,500,000	25,000,000	Step Bid
HNWI E	55.00	7,000,000	32,000,000	Limit Price

↓

Strike Price determine through Dutch Auction Method

↓

Bid has been revised upwards and placed at PKR 56.40

↓

Total shares bid for at and above the Floor Price

On the basis of the figures provided in the above illustration, according to the Dutch Auction Method, the Strike Price would be set at PKR 55.10 per share to sell the required quantity of 25,000,000 ordinary shares.

At PKR 59.65 per share, investors are willing to buy 1,000,000 shares. Since 24,000,000 shares are still available, therefore the price will be set lower.

At PKR 59.05 per share, investors are willing to buy 1,500,000 shares. Since 22,500,000 shares are still available, therefore the price will be set lower.

At PKR 58.10 per share, investors are willing to buy 2,100,000 shares. Since 20,400,000 shares are still available, therefore the price will be set lower.

At PKR 57.80 per share, investors are willing to buy 1,800,000 shares. Since 18,600,000 shares are still available, therefore the price will be set lower.

At PKR 57.35 per share, investors are willing to buy 1,400,000 shares. Since 17,200,000 shares are still available, therefore the price will be set lower.

At PKR 57.10 per share, investors are willing to buy 1,000,000 shares. Since 16,200,000 shares are still available, therefore the price will be set lower.

At PKR 57.00 per share, investors are willing to buy 1,100,000 shares. Since 15,100,000 shares are still available, therefore the price will be set lower.

At PKR 56.95 per share, investors are willing to buy 2,500,000 shares. Since 12,600,000 shares are still available, therefore the price will be set lower.

At PKR 56.85 per share, investors are willing to buy 1,300,000 shares. Since 11,300,000 shares are still available, therefore the price will be set lower.

At PKR 56.70 per share, investors are willing to buy 2,500,000 shares. Since 8,800,000 shares are still available, therefore the price will be set lower.

At PKR 56.40 per share, investors are willing to buy 2,000,000 shares. Since 6,800,000 shares are still available, therefore the price will be set lower.

At PKR 56.10 per share, investors are willing to buy 1,300,000 shares. Since 5,500,000 shares are still available, therefore the price will be set lower.

At PKR 55.70 per share, investors are willing to buy 2,000,000 shares. Since 3,500,000 shares are still available, therefore the price will be set lower.

At PKR 55.50 per share, investors are willing to buy 2,000,000 shares. Since 1,500,000 shares are still available, therefore the price will be set lower.

At PKR 55.10 per share, investors are willing to buy 1,500,000 shares. **Since after bidding for 1,500,000 shares at PKR 55.10 per share, no shares will be available therefore the Strike Price will be set at PKR 55.10 per share for the entire lot of 25,000,000 shares.**

The bidders who have placed bids at prices above the Strike Price (which in this illustration is PKR 55.10 per share), will become entitled for allotment of shares at the Strike Price and the differential would be refunded.

In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares shall be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of the PO Regulations.

The Bidders who have made bids below the Strike Price shall not qualify for allotment of shares and the Book Runner shall intimate the respective banks for unblocking their Bid Money within one (1) working day of the close of the bidding period.

Since this Issue is being made through 100% book building, as per the regulation 7(4) of the PO Regulation, the Bidder shall be allowed to place bids for hundred (100%) percent of the issue size and the strike price shall be the price at which hundred (100%) percent of the issue size is subscribed. However, the successful bidders would be allotted and issued only seventy-five (75%) percent of the issue size and the remaining twenty-five (25%) percent would be offered to the retail investor. The bidders shall give an undertaking along with the application that they would subscribe to the unsubscribed shares, if any, out of the retail portion of the Issue and their remaining bid money would remain deposited/ blocked till allotment of such unsubscribed shares to them on pro-rata basis.

The bid money of bidders shall remain deposited or blocked till allotment of unsubscribed shares, if any, to them on pro rata basis as per regulation 9(15) of PO Regulation.

In case retail portion of the Issue is fully subscribed, the bid money shall be unblocked within one (1) working day or refunded within three (3) working days of the closing of the public subscription.

12.1.4. Time Frame for Intimation to the Successful Bidders and Mechanism for Payment of the Balance Amount by the Successful Bidders

Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. Upon intimation by the Book Runner of the final allocation, successful institutional bidders shall deposit their balance margin money within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**

12.1.5. Book Runner to the Issue:

Arif Habib Limited has been appointed by the Issuer as Lead Manager & Book Runner to this Issue.

Roles and Responsibilities of the Book Runner

The Book Runner to the issue shall be responsible to:

1. ensure that necessary infrastructure and electronic system is available to accept bids and to conduct the whole Book Building process in a fair, efficient and transparent manner;
2. ensure blocking of bid and margin money of the Bidders in their respective accounts;
3. the Book Runner must be financially capable for honoring its commitments arising out of defaults by their investors, if any;
4. use the software provided by the Designated Institution for the Book Building on such terms and conditions as may be agreed with the Designated Institution through an agreement in writing;
5. ensure that the software used for Book Building is based on Dutch Auction Method for display of the order book and determination of the strike price;
6. ensure that the bidders can access to the System and can revise their bids electronically using the user ID and the password;
7. ensure that it has obtained list and Unique Identification Number (UIN) of the associates of the Issuer, the Lead Manager and all the related employees;
8. ensure that names and UIN of all the persons mentioned under Section 3A(v) are entered and capped in a manner as prescribed in the PO Regulations before commencement of the Bidding Period;
9. ensure that no bid or bids exceeding ten per cent (10%), in aggregate, is or are made by the associated companies and associated undertakings of the Issuer;
10. ensure that no bid in aggregate exceeding ten per cent (10%) is made by the associated companies and associated undertakings of the Lead Manager and the Book Runner;
11. enter into an underwriting agreement with the Issuer with respect to underwriting of the Book Building portion for covering the default risk;

12. establish bid collection centers at least in Islamabad, all the provincial capitals, Azad Kashmir and Gilgit/Baltistan;
13. maintain record of all the bids received; and
14. ensure that all the Bids received in the Bid Collection Centers are entered into the system developed by the Designated Institution for the purpose of Book Building within the prescribed time.

The Book Runner have established bid collection centers at the following addresses (direct & fax numbers in all centers).

12.1.6. Bid Collection Centers

The Book Runner has established bid collection centers at the following addresses:

Karachi		
Contact Officer:	Raheel Ahmed	Saif Ul Haq
Designation	Associate	Analyst
Direct No.:	021 38280271	021 38280223
Email:	Raheel.ahmed@arifhabibltd.com	saif@arifhabibltd.com
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Karachi		
Contact Officer:	Muhammad Faizan Qureshi	Naveed Said
Designation	Analyst	Analyst
Direct No.:	021 38280276	021 38280224
Email:	faizan.qureshi@arifhabibltd.com	naveed.said@arifhabibltd.com
Organization	Arif Habib Limited	Arif Habib Limited
Postal Address:	Arif Habib Centre, 23 M.T Khan Road, Karachi	Arif Habib Centre, 23 M.T Khan Road, Karachi
	Arif Habib Limited	Arif Habib Limited
Islamabad		
Contact Officer:	Asad Abbas Najfi	Suleman Shah
Designation	Manager	Branch Operation Manager
Direct No.:	051 289 5341	051-2820889
Contact No.:	0345 5111156	0333-5340530
Email:	asad.abbasnajfi@arifhabibltd.com	suleman.shah@hbl.com
Organization	Arif Habib Limited	HBL (0874)
Postal Address:	Office No. 506, 5th Floor, ISE Towers, Jinnah Avenue, Islamabad	G/Mezzanine Floor HBL Tower Jinnah Avenue, Blue Area, Islamabad
Lahore		
Contact Officer:	Muhammad Mibsam	Sajid Majeed
Designation	Junior Officer	Branch Operation Manager
Direct No.:	+92-21-32434558, +92-21-32462988	042-36281655
Contact No.:	0300 4574434	0321-4626039

Email:	muhammad.mibsam@arifhabibltd.com	sajid.majeed@hbl.com
Organization	Arif Habib Limited	HBL (1242)
Postal Address:	Office No. G-5 & G-6, Ground Floor, LSE Plaza, 19 Khayaban-e-Aiwan-e-Iqbal Lahore	Habib Bank Centre, 102/103, Upper Mall Lahore
Faisalabad		
Contact Officer:	Muhammad Naseem Asmat	Masood Hussain
Designation	Branch Manager	Branch Operation Manager
Direct:	+92 41 8531010-13	041-25411437
Contact No.:	0322-8661318	0321-7663256
Email:	naseem.asmat@arifhabibltd.com	masood.hussain50@hbl.com
Organization	Arif Habib Limited	HBL (0143)
Postal Address:	Office # 4 th , 3 rd Floor, Legacy Tower. Near Kohinoor city, Faisalabad	P-832/A-1 Block 10, Circular Road Faisalabad
Peshawar		
Contact Officer:	Zeeshan Ahmad	Masroor Rafi
Designation	Assistant Manager	Branch Operation Manager
Direct:	-	091-5277580
Contact No.:	0345 9381820	0333-9329553
Email:	zeeshan.ahmad@arifhabibltd.com	masroor.rafi@hbl.com
Organization:	Arif Habib Limited	HBL (0959)
Postal Address:	F-16/F-17, 1ST Floor, The Mall Tower, Peshawar Cantt.	Cantonment Plaza Peshawar Saddar
Multan		
Contact Officer:	Alam Akhter	Muhammad Yaseen
Designation	Manager	Branch Operation Manager
Direct:	+92 61 8000 800, +92 61 451 4412	061-4589501-2
Contact No.:	0321 639 3919	0333-3929356
Email:	Alam.akhtar@arifhabibltd.com	muhammad.yaseen50@hbl.com
Organization:	Arif Habib Limited	HBL (1270)
Postal Address:	Office # 305, 3rd Floor, United Mall, Abdali Road, Multan	Corporate Centre Multan, HBL Building, Plot # 2523-A Opposite High Court, Old Bahawalpur Road Multan
Sialkot		Abbottabad
Contact Officer:	Faisal Bashir	Touseef Ahmed
Designation	Branch Operation Manager	Branch Operation Manager
Direct:	052-4603720	0992-330308
Contact No.:	0300-6110200	0334-8962506
Email:	faisal.bashir@hbl.com	touseef.ahmed@hbl.com
Organization:	HBL (0574)	HBL (0281)
Postal Address:	Plot # B-1-16/12-A- Opposite GPO, Paris Road, Sialkot	Shop # 567, Al-Yousaf Plaza, Mansehra Rd. Abbottabad

Quetta		
Contact Officer:	Yasir Arshad	Muhammad Tahir Panezai
Designation	Branch Operation Manager	Branch Manager
Direct:	081-2829376	Direct: 081-2829755
Contact No.:	0333-816557	Cell# 0309-7772570
Email:	yasir.arshad@hbl.com	bm.gta01@meezanbank.com
Organization:	HBL (1649)	Meezan Bank Limited
Postal Address:	402-A, Gulistan Road, Quetta Cantt	BM # Muhammad Tahir Panezai
Azad Kashmir		
Contact Officer:	Syeda Adeela Iqbal	Kashif Hussain
Designation	Branch Operation Manager	Branch Manager
Direct:	05822-920904	05822-920461
Contact No.:	0334-5068248	0300-8157502
Email:	adeela.kazmi@hbl.com	bm.mzd01@meezanbank.com
Organization:	HBL (1165)	Meezan Bank Limited
Postal Address:	Khasra # 02, Chatter Domel Tehsil & Distt Muzaffarabad	Secretariat Road, Sathra Muzafarabad, Azad Jammu & Kashmir
Gilgit/Baltistan		
Contact Officer:	Shahid Karim	OM # Sahafqat Wali Khan
Designation	Branch Operation Manager	Operation Manager
Direct:	05811-450405	05811-458038
Contact No.:	0343-3469621	0346-9219217
Email:	shahid.karim@hbl.com	om.glt9834@meezanbank.com
Organization:	HBL (0107)	Meezan Bank Limited
Postal Address:	Shahrah-E-Quaid-E-Azam Nli Market Gilgit	Shop# 433, NLI Market, Gilgit, Baltistan

12.1.7 Roles and Responsibilities of the Designated Institution

PSX being provider of the Book Building System (Designated Institution), shall ensure that Book Building System shall smoothly perform following functions:

1. Record name, UIN, National Tax Number (NTN), postal and email addresses, land line and cell numbers, International Bank Account Number (IBAN) and branch address and complete CDS Account Number (i.e. Investor Account Number or Sub-Account Number).
2. Provide a mechanism for registration of the bidders before commencement of the bidding period till 5:00 p.m. on the last day of the Bidding Period and require the investors to provide at least such information as mentioned above.
3. Generate bidders' Internet Protocol (IPs) address and keep record of all IP addresses from where the bids are placed.
4. Record the number of shares bid for, the Bid Price, type of the bid i.e. Limit Bid or Step Bid, date and time of the entry of the bid.
5. Display the bids revised, and date and time of upward revision;

- a. Neither allow withdrawal of bid, nor accept the bids placed at a Bid Price that is below the Floor Price or above 10% of the Indicative Strike Price at any point of time and above the upper limit of the Price Band.
6. Display, live the total number of shares offered for sale, the Floor Price, Price Band, total number of bids received, total number of shares bid for and the indicative Strike Price.
7. Build an order book showing demand for the shares at various price levels in a descending order along with the accumulated number of shares bid for and percentage of total shares offered under the Book Building Portion.
8. Discover the strike price at the close of the Bidding Period.
9. Generate alerts for the Bidders via Short Message Service (“SMS”) through cell phones and emails upon entry of the bid, at the time of upward revision of the bid, upon variation in the Indicative Strike Price and upon discovery of the strike price; and
10. ensure that the system must provide the bidders the option to upward revise their bids online or through the Book Runner during the period permitted under these PO Regulations.

The Designated Institution shall ensure that:

- identity of the bidder is not displayed; and
- no bid is entered into the System after closing of the Bidding Period.

12.1.8 Roles and Responsibilities of the Issuer:

The Issuer shall ensure that:

1. The Issuer, its Sponsors, promoters, substantial shareholders, directors and associates shall have no over dues or defaults, irrespective of the amount, appearing in the report obtained from the credit information bureau;
2. The Issuer or its directors, Sponsors or substantial shareholders should not have held the office of the directors, or have not been Sponsors or substantial shareholders in any company:
 - I. which had been declared defaulter by the securities exchange or futures exchange; or
 - II. whose TRE certificate has been cancelled or forfeited by the securities exchange; or
 - III. which has been de-listed by the securities exchange due to non-compliance of its regulations.
3. The Lead Manager, Book Runner, Underwriter, Balloter and Share Registrar and Banker(s) to the Issue, are appointed through separate agreements in writing.
4. It has submitted through its Lead Manager, an application along with draft prospectus for listing of its securities to the PSX.
5. The shares shall be issued in book-entry form only.

12.1.9 Opening and Closing of the Registration Period

The Registration period shall be for **Four (4) working days** as under:

REGISTRATION PERIOD	
September 23 rd , 2024	9:00am to 5:00pm
September 24 th , 2024	9:00am to 5:00pm
September 25 th , 2024	9:00am to 5:00pm
September 26 th , 2024	9:00am to 3:00pm

12.1.10 Opening and Closing of the Bidding Period

The Bidding Period shall be for **Two (2) working days** as under:

BIDDING PROCESS STARTS ON	September 25 th , 2024 (9:00 AM to 5:00 PM)
BIDDING PROCESS ENDS ON	September 26 th , 2024 (9:00 AM to 5:00 PM)

12.1.11 Eligibility to Participate in Bidding

Eligible Investors who can place their bids in the Book Building process include local and foreign Individual and Institutional Investors whose Bid Amount is not less than PKR 1,000,000/- (PKR One Million only).

12.1.12 Information for Bidders

1. The Prospectus for Issue of Shares has been approved by PSX and SECP.
2. The Prospectus, Registration Forms and the Bidding Forms can be obtained from the Registered Office of BFBL, AHL and the designated Bid Collection Centers. Prospectus, Registration Forms and Bidding Forms can also be downloaded from the following websites of the Lead Manager, Book Runner, PSX and the Company i.e. <http://www.arifhabibltd.com>, <http://www.psx.com.pk> and <http://bfbio.com/>.
3. Eligible Investors who are interested to participate in bidding for subscribing the Ordinary Shares of the Company should approach the Book Runner at the addresses provided in Section 12.1.6 for registration for submitting their Bids.
4. THE REGISTRATION FORMS SHOULD BE SUBMITTED ON THE PRESCRIBED FORMAT AT THE ADDRESSES PROVIDED IN SECTION 12.1.6. FOR DETAILS ON THE PROCEDURE OF REGISTRATION PLEASE REFER TO SECTION 12.1.13.
5. THE BIDS SHOULD BE SUBMITTED ON THE PRESCRIBED BIDDING FORM IN PERSON, THROUGH FAX NUMBERS GIVEN IN SECTION 12.1.6 OR THROUGH THE ONLINE SYSTEM USING THE USER ID AND PASSWORD ISSUED AT THE TIME OF REGISTRATION OF ELIGIBLE INVESTOR.
6. REGISTERED INVESTORS CAN PLACE AND REVISE THEIR BIDS UPWARDS BY ACCESSING THE DESIGNATED INSTITUTIONS ONLINE PORTAL FOR BOOK BUILDING BY USING THE USER ID AND PASSWORD COMMUNICATED TO THEM VIA EMAIL BY PSX.
7. EACH ELIGIBLE INVESTOR SHALL ONLY SUBMIT A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY ALONG WITH THE REGISTRATION FORM. IT MAY ALSO BE NOTED THAT ONLY A SINGLE PAY ORDER, DEMAND DRAFT OR EVIDENCE OF ONLINE TRANSFER OF MONEY SHALL BE ACCEPTED BY THE BOOK RUNNER ALONG WITH EACH ADDITIONAL PAYMENT FORM.
8. ELIGIBLE INVESTORS WHO ARE ACCOUNT HOLDERS OF **HABIB BANK LIMITED & MEEZAN BANK LIMITED** (THE BANKERS TO THE BOOK BUILDING PORTION OF THE ISSUE) CAN USE THE ONLINE TRANSFER FACILITY PROVIDED BY **HABIB BANK LIMITED & MEEZAN BANK LIMITED** TO DEPOSIT THEIR BID MONEY TO THE BOOK BUILDING ACCOUNT OPENED AT **HABIB BANK LIMITED & MEEZAN BANK LIMITED**.

12.1.13 Registration Form and Procedure for Registration

1. A standardized Registration Form has been prescribed by the Issuer. The Registration Form shall be submitted, duly filled in, at the Bid Collection Centers in person on addresses given in Section 12.1.6 on the standard Registration Form. The Registration Form shall be serially numbered at the bid collection centers and date and time stamped at the time of collection of the same from the Bidders.
2. Upon completion and submission of the Registration Form, the Bidders are deemed to have authorized the Issuer to make necessary changes in the Prospectus as would be required for finalizing and publishing the Supplement to the Prospectus in the newspapers in which Prospectus was published and filing the Supplement with PSX and SECP, without prior or subsequent notice of such changes to the Bidders.
3. The registration procedure under the Book Building process is outlined below:
 - The Registration period shall be for Four (4) working days i.e. September 23rd, 2024 to September 26th, 2024 from 9:00 AM to 5:00 PM on September 23rd, 2024, September 24th, 2024, September 25th, 2024 and from 9:00 AM to 3:00 PM on September 26th, 2024.

- The Registration Form shall be issued in duplicate signed by the Bidder and countersigned by the Book Runner, with the first copy for the Book Runner and the second copy for the Bidder.
- The Registration Form shall be duly filled in and signed in duplicate and shall be submitted at the Bid Collection Centers in person, through representative or through fax on addresses and numbers given in Section 12.1.6.
- Upon registration of the bidders in the System, PSX shall assign and communicate the User ID and Password to the Bidders via email on the email address provided by them in the Registration Form.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. Decision of the Book Runners shall not be challengeable by the Bidder or its associates.
- Bid Amount / Margin Money shall be deposited along with the Registration Form through demand draft, pay order or online transfer through Bidder’s bank account only. In case of Online Transfer, the Bidders are requested to submit a bank receipt evidencing transfer of the bid money into the Issuer’s designated bank account. **Please note that cash must not be deposited either directly or through online transfer in the Issuer’s designated bank account.**
- The pay order shall be made in favor of **“BF BIOSCIENCES LTD - BOOK BUILDING”**. For online transfer the payment shall be made into Account No. **“00427992484503”** maintained at **Habib Bank Limited** with the Account Title **“BF BIOSCIENCES LTD - BOOK BUILDING”** & Account No. **“01710110262513”** maintained at **Meezan Bank Limited** with the Account Title **“BF BIOSCIENCES LTD - BOOK BUILDING”**. Please note that online transfer facility shall only be allowed to **Habib Bank Limited & Meezan Bank Limited** customers.
 - Please note that third party instruments will not be accepted for Margin Money.
 - In case of intra city payment instruments, the bidders shall ensure that the payment instruments are made **“Payable at any Branch”**. Intra city payment instruments that are not made **“Payable at any Branch”** will not be accepted.
- The Book Runners shall collect an amount of 100% of the Application Money as Margin Money in respect of bids placed by Individual Investors.
- The Book Runners shall collect an amount of not less than 25% of the Application Money as Margin Money in respect of bids placed by Institutional Investors.
- The Bidder shall provide a valid email address in the Registration Form so that the relevant ID and password can be emailed to them upon registration.
- The Bidders can use the User ID and Password to independently place and upward revise their bids online.
- **The successful Bidders shall be issued shares only in the form of book-entry to be credited in their respective CDS accounts. All the bidders shall, therefore, provide their CDC account numbers in the bid application and Registration form.**
- **The successful Bidders shall be paid cash dividend, if any announced by the Company, only through direct credit in their respective International Bank Account Number (IBAN). All the Bidders, therefore, must provide their IBANs in the Bid Application and Registration Forms.**

12.1.14 Procedure for Bidding

1. A standardized Bidding Form has been prescribed by the Issuer.
2. Registered Investors can submit their bids in person or through representatives at the Bid Collection Centers during the bidding dates or can place their bids online at <https://bkb.psx.com.pk> using the user ID and Password received by them over email upon registration with the Book Runner.
3. The bidding procedure under the Book Building process is outlined below:
 - Bids can be placed either at the **“Limit Price”** or as a **“Step Bid”**. The minimum size of a Limit Bid by an Eligible Investor shall not be less than PKR 1,000,000/- (Rupees One Million) and in case of a Step Bid, the amount of any step shall also not be less than PKR 1,000,000/- (Rupees One Million).

- The investors may place their bids through any of the Bid Collection Centers established pursuant to the requirements of sub-regulation 10 of regulation 8 of the PO Regulations. Please see Section 12.1.6 for addresses and contact detail of persons at the Bid Collection Centers.
- The persons at the Bid Collection Centers shall vet the bid applications and accept only such bid applications that are duly filled in and supported by pay order, demand draft or a bank receipt evidencing transfer of the bid money into the Issuer designated bank account.
- On receipt of bid application in accordance with the aforementioned regulation, the Book Runner shall enter Bid into the System and issue to the Bidder an electronic receipt bearing name of the Book Runner, name of the bidding center, date and time.
- The bidding shall commence from 09:00 a.m. and close at 5:00 p.m. on all days of the Bidding Period. The bids shall be collected and entered into the system by the Book-Runner till 05:00 p.m. on the last day of the bidding period.
- The Bidders shall have the right to revise their bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.
- **The Bidders shall NOT make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.**
- **The Bidders shall not withdraw the Bids.**
- The Book Runner shall collect full amount of the Bid Amount as Margin Money in respect of bids placed by the High Net worth Individual and not less than twenty-five percent (25%) of the Bid Amount as Margin Money in respect of bids placed by the Institutional Investors.
- Payment of Margin Money shall be accepted only through demand draft, pay order or online transfer and third-party payment instruments shall not be accepted.
- The Book Runner may on its own discretion accept a bid without Margin Money, provided the Book Building Portion is fully underwritten at least at the Floor Price by the Book Runner.
- The Book Runner may reject any bid for reasons to be recorded in writing provided the reason of rejection is disclosed to such bidder. The decision of the Book Runner shall not be challengeable by the Bidder or its associates.
- PSX shall, through the system, display live throughout the bidding period an order book in descending order showing demand for shares at various prices and the accumulated number of shares bid for along with percentage of the total shares issued (the “Order Book”). The Order Book should also show the revised bids and the bids withdrawn. The Order Book shall be accessible through websites of PSX.
- At the close of the Bidding Period, the Strike Price shall be determined on the basis of the Dutch Auction Method.
- Once the Strike Price is determined, all those Bidders whose bids are found successful shall become entitled for allotment of shares.
- The Bidders who have made bids at prices above the Strike Price shall be allotted shares at the Strike Price.
- In case all the bids made above the Strike Price are accommodated and shares are still available for allotment, such available shares will be allotted against the bids made at the Strike Price on proportionate basis as per regulation 9(12) of PO Regulations. The procedure for allotment of shares to successful Bidders is mentioned in Section 12.1.22 of the Prospectus.
- The Bidders who have made bids below the Strike Price shall not qualify for allotment of any Ordinary Shares and the Book Runner shall intimate their respective banks for unblocking their Bid Money within One (1) working day of the close of the bidding period.
- Successful bidders shall be intimated, within one (1) working day of the closing of the bidding period, the Strike Price and the number of shares provisionally allotted to each of them. The successful bidders

shall be intimated by the Book Runner of their final allocation after subscription of the retail portion of the Issue.

- In case the retail portion of the Issue is not fully subscribed, the unsubscribed shares shall be allotted to the successful bidders on pro-rata basis.
- In case the retail portion of the Issue is oversubscribed, the allotment shall be made in the manner given in Section 13.1.12.
- Upon intimation by the Book Runner of final allocation, successful institutional bidders shall deposit their balance margin within (3) days of such intimation. **Where a successful Bidder defaults in payment of shares allotted to it, the Margin Money deposited by such Bidder shall be forfeited to the Book Runner.**
- Final allotment of shares out of the Book Building Portion shall be made after receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be credited at the time of credit of shares out of the retail portion.
- The successful Bidders shall be issued shares only in Book Entry Form to be credited in their respective CDS Accounts. All the bidders shall, therefore, provide their CDS Account Numbers in the Registration Form.
- The Designated Institution shall continue to display on its website, the data pertaining to the Book Building and determination of the Strike Price for a period of at least three working days after closure of the Bidding Period.
- The Book-Runner shall ensure that subscription money received against the bids accepted shall not be released to the Issuer by the Banker to the Book Building Portion until:
 - credit of all shares allotted to retail investors; and
 - issuance of NOC by the PSX.

12.1.15 Payment for Book Building Portion

The Issuer has opened a bank account for collection of applications' money related to Book Building Portion.

The Bidders shall draw demand draft or pay order in favor of **"BF BIOSCIENCES LTD - BOOK BUILDING"** or online transfer of the Bid money into the respective Book Building account and submit the demand draft, pay order or bank receipt at the designated Bid Collection Centers either in person or through facsimile along with a duly filled in Registration Form.

For online transfer the payment shall be made into the Account **"00427992484503"** being maintained at Habib Bank Limited with the Account Title **"BF BIOSCIENCES LTD - BOOK BUILDING"** & Account **"01710110262513"** being maintained at Meezan Bank Limited with the Account Title **"BF BIOSCIENCES LTD - BOOK BUILDING"**. Please note that online transfer facility shall only be allowed for Habib Bank Limited & Meezan Bank Limited customers.

CASH MUST NOT BE SUBMITTED WITH THE BIDDING FORM/REGISTRATION FORM AT THE BID COLLECTION CENTER NOR DEPOSITED DIRECTLY OR VIA ONLINE TRANSFER IN THE ISSUER'S DESIGNATED BANK ACCOUNT. BID AMOUNT MUST BE PAID THROUGH PAY ORDER, BANK DRAFT OR ONLINE TRANSFER DRAWN / TRANSFER IN FAVOR OF **"BF BIOSCIENCES LTD - BOOK BUILDING"** IN A MANNER ACCEPTABLE TO THE BOOK RUNNER. **PLEASE NOTE THAT THIRD PARTY PAYMENT INSTRUMENTS WILL NOT BE ACCEPTED.**

The Collection Banks shall keep and maintain the bid money in the said account. Once the shares allotted under the retail portion have been credited, the Lead Manager, after obtaining NOC from PSX, may request in writing to the Banker to the Book Building Portion for transfer of the money of the successful and accepted applications to the Issuer's account(s).

PAYMENT PROCEDURE

The payment procedures for a Limit Bid or a Step Bid are explained below:

- **PAYMENT FOR LIMIT BID**

If investors are placing their bids as a Limit Bid, then they shall deposit the Margin Money based on the number of shares they are bidding for at their stated bid price.

For instance, if an investor is applying for 1 Mn shares at a price of PKR 55.00/- per share, then the total Application Money would amount to PKR 55 Mn. In such a case, (i) Individual Investor shall deposit PKR 55 Mn in the Book Building account as the bid amount which is 100% of PKR 55 Mn; and (ii) Institutional Investor shall deposit at least PKR 13.75 Mn in the Book Building account as the Margin Money which is 25% of PKR 55 Mn.

▪ **PAYMENT FOR STEP BID**

If an investor is placing a Step Bid which is a series of Limit Bids at increasing prices, then he/she/it shall deposit the Margin Money / bid money based on the total number of shares he/she/it is bidding for at his/her/its stated bid prices.

For instance, if the investor bids for 0.7 Mn shares at PKR 55.00/- per share, 0.6 Mn shares at PKR 56.00/- per share and 0.5 Mn shares at PKR 57.00/- per share, then in essence the investor has placed one Step Bid comprising three limit bids at increasing prices. The Application Money would amount to PKR 100.60 Mn, which is the sum of the products of the number of shares bid for and the bid price of each limit bid. In such a case, (i) Individual Investors shall deposit PKR 100.60 Mn in the Book Building Account as Margin Money which is 100% of PKR 100.60 Mn and (ii) Institutional Investors shall deposit at least PKR 25.15 Mn in the Book Building Account as Margin Money which is 25% of PKR 100.60 Mn.

12.1.16 Payment by Foreign Investors

Companies are permitted under paragraph 6 (with specific reference to sub para (B) (I)) of Chapter 20 of the State Bank of Pakistan's ("SBP") Foreign Exchange Manual (the "Manual") to issue shares on repatriation basis to non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual, i.e. (I) A Pakistan national resident outside Pakistan, (II) A person who holds dual nationality including Pakistan nationality, whether living in or outside Pakistan, (III) A foreign national, whether living in or outside Pakistan and (IV) A firm (including a partnership) or trust or mutual fund registered and functioning outside Pakistan, excluding entities owned or controlled by a foreign government, provided the issue price, is paid in foreign exchange through normal banking channel by remittance from abroad or out of foreign currency account maintained by the subscriber/purchaser in Pakistan.

Non-residents who wish to bid for the subscription of shares being offered via book building can remit the subscription money through an Authorized Dealer directly to the book building accounts opened by the Company as given in of this Prospectus, however, those non-residents who wish to subscribe shares out of the general public portion may contact any of the bankers to the Issue (retail portion) for taking instructions regarding payment of subscription money against shares offered to general public / retail investors. List of bankers to the Issue for retail portion is available on page 1 of this Prospectus.

The shares issued to non-resident shareholders shall be intimated by the Company to the designated Authorized Dealer, along with the documents prescribed in the Manual within 30 days of issue.

Non-residents who are covered under paragraph 6 (A) of Chapter 20 of the Manual do not require SBP's approval to invest in the shares being issued in terms of this Prospectus. Furthermore, under paragraph 7 (vii) of Chapter 20 of the Manual the Authorized Dealer shall allow repatriation of dividends, net of applicable taxes and proceeds on sale of listed shares (i.e. divestment proceeds) not exceeding the market value less brokerage/commission on provision of prescribed documents.

Payments made by non-residents shall be supported by proof of receipt of foreign currency through normal banking channels. Such proof shall be submitted along with the Application by the non-residents.

12.1.17 Procedure for Rejection of Bids

In terms of regulation 9(7) of the PO Regulations, the Book Runner may reject any Bid placed by a Bidder for reasons to be recorded in writing provided the reason of rejection is disclosed to such Bidder. Decision of the Book Runner shall not be challengeable by the Bidder or any of its associates.

12.1.18 Time Frame for Upward Revision of Bids by the Bidders

The registered investors may revise their Bids upwards any time either manually through the Bid Collection Centers or electronically through direct access to the system till 05:00 p.m. on the last day of the Bidding Period.

An investor will not be allowed to place or revise a bid with a price variation of more than 10% of the prevailing indicative strike price. **NO DOWNWARD REVISION BOTH IN TERMS OF BID PRICE AND BID VOLUME IS ALLOWED PROVIDED THAT IN CASE OF UPWARD REVISION OF THE BID PRICE, THE NUMBER OF SHARES BID FOR I.E. BID VOLUME MAY BE ADJUSTED ENSURING THAT THE BID AMOUNT OR BID MONEY REMAINS THE SAME. HOWEVER, NO WITHDRAWAL OF BID IS ALLOWED.**

12.1.19 Ten Percent (10%) Price Variation

An investor will not be allowed to place or upward revise a bid with a price variation of more than ten percent (10%) of the prevailing Indicative Strike Price subject to Floor Price and Price Band i.e. Bid Price must not be below the Floor Price and must not exceed 40% of the Floor Price which is upper limit of Floor Price. **Please note that the Indicative Strike Price may not be constant and may keep on changing during the bidding period. Therefore, the 10% range will also change with the changing Indicative Strike Price.**

For Example, if the Floor Price is PKR 55.00/- per share and Indicative Strike Price at any given point in time during the bidding period is PKR 55.00/- per share, registered bidders may place or revise their bids at/to any price between PKR 55.00/- per share to PKR 60.50/- per share. If at any given point in time during the bidding period, the Indicative Strike Price changes from PKR 55.00/- per share to PKR 56.00/- per share, the registered bidders may place or upward revise their bids at/to between PKR 56.00/- per share to PKR 61.60/- per share.

Please note that the 10% range on the lower side cannot go below the floor price and cannot exceed the upper cap of 40% of the floor price i.e. PKR 77.00/- per share. The price range of 10% applicable at any given point in time during the bidding period will also be displayed on the bid screen available at the website of PSX.

12.1.20 Restriction on Downward Revision or Withdrawal of Bids by the Bidder

Under regulation (10) (2)(vi) of the PO Regulations the Bidders shall not make downward revision both in terms of Bid Price and Bid Volume provided that in case of upward revision of the Bid Price, the number of shares Bid for i.e. Bid Volume may be adjusted ensuring that the bid amount or bid money remains the same.

Under regulation (10) (2)(vii) of the PO Regulations the Bidders shall not be allowed to withdraw Bids.

12.1.21 Procedure for Withdrawal of Issue

1. In accordance with regulation 8(16) of the PO Regulations, in case the Issuer does not receive bids for the number of shares allocated under the Book Building Portion at the Floor Price, the Issue shall be cancelled and the same shall be immediately intimated to the Commission and PSX and the Margin Money shall be refunded to the bidders immediately but not later than three (3) working days of the closing of the Bidding Period.
2. In accordance with regulation 8(17) of the PO Regulation, the Book Building process will be considered as cancelled if the total number of bids received is less than forty (40).

12.1.22 Basis of Allotment of Shares

Bidders shall be allowed to place bids for one hundred percent (100%) of the Issue size and the Strike Price shall be the price at which one hundred percent (100%) of the Issue is subscribed via the Dutch Auction Method.

Once the Strike Price is determined, all those Bidders whose bids have been found successful shall be provisionally allotted 75% of the Issue size i.e. 18,750,000 Ordinary Shares.

In order to be a successful Bidder in the Book Building process, the bid price would either be higher than the Strike Price or at the Strike Price.

For allocation of shares via Book Building, priority shall be given to the bids placed at the highest price. The bidders, who have made bids at prices above the Strike Price, will be provisionally allocated 75% of the shares

successfully bid for, at the Strike Price. The differential between the bid price and Strike Price, would be refunded based on the total number of shares bid for.

Bidders who had placed Bids at the Strike Price will be provisionally allotted seventy-five (75%) of the shares successfully bid for, at the Strike Price, on proportionate basis.

Bids made below the Strike Price shall not qualify for allotment of shares and their Margin Money will be refunded.

Final allotment of shares to the successful bidders would be determined after determination of the public response to the Retail Portion of the Issue.

In the event the retail portion is undersubscribed, the unsubscribed portion would be allotted to the successful bidders, on a pro-rata basis as per regulation 11(5) of the PO Regulation. Excess funds, if any, would be refunded to the bidders after allotment of the unsubscribed shares.

Final allotment of shares out of the Book Building portion shall be made after subscription of the retail portion and receipt of full subscription money from the successful Bidders; however, shares to such Bidders shall be issued simultaneously with issuance of shares to retail investors, in the form of book-entry to be credited in their respective CDS Accounts. All the Bidders shall, therefore, provide number of their respective CDS Accounts in the Bid application as required under regulation 9(16) of the PO Regulations.

12.1.23 Refund of Margin Money

The Bidders who have made Bids below the Strike Price shall not qualify for allotment of securities and the Book Runner shall intimate their respective banks for unblocking, where required, their Bid Money within one (1) working day of the close of the bidding period as required under regulation 9(13) of the PO Regulations and the refunds, where required to such bidders shall be made within three (3) working days from the close of the bidding period.

The bid money of bidders who have undertaken to subscribe the unsubscribed retail portion shall remain deposited or blocked till allotment of shares of unsubscribed retail portion, if any, to them on pro-rata basis.

12.1.24 Publication of Supplement to the Prospectus

In accordance with regulation 11(1) of the PO Regulations within three (3) working days of the closing of the Bidding Period, Supplement to the Prospectus shall be published at least in all those newspapers in which the Prospectus was earlier published and also disseminated through PSX.

The Supplement to the Prospectus would contain information relating to the Strike Price, the Offer Price and Category-wise breakup of the successful Bidders along with the number of shares provisionally allocated to them. Format of the Supplement is given on page 2 of this Prospectus.

Public subscription for the shares shall be held at any date(s) within thirty days (30) of the publication of the Prospectus but not earlier than seven (7) days of such publication.

13. APPLICATION AND ALLOTMENT INSTRUCTION FOR RETAIL PORTION

13.1.1 Eligible Investors Include:

1. Pakistani citizens resident in or outside Pakistan or Persons holding dual nationalities including a Pakistani nationality;
2. Foreign Nationals whether living in or outside Pakistan
3. Companies, bodies corporate or other legal entities incorporated or established in or outside Pakistan (to the extent permitted by their constitutive documents and existing regulations, as the case may be);
4. Mutual Funds, Provident / Pension / Gratuity Funds / Trusts, (subject to the terms of the Trust Deed and existing regulations); and
5. Branches in Pakistan of companies and bodies corporate incorporated outside Pakistan.

APPLICATION MUST BE MADE ON SECP'S APPROVED APPLICATION FORM OR A LEGIBLE PHOTOCOPY THEREOF ON A PAPER OF A4 SIZE WEIGHING AT LEAST 62 GM

13.1.2 Copies of Prospectus

Copies of this Prospectus and Applications Forms can be obtained from members of PSX, the Bankers to the Issue and their branches, the Lead Manager, the Book Runner to the Issue and registered office of the Company. The Prospectus and the Application Form can also be downloaded from the following websites:

<http://www.arifhabiltld.com>, <http://bfbio.com/>, www.cdceipo.com, and <http://www.psx.com.pk>

Shares against the successful and accepted applications shall be issued in the Book Entry Form only and will be credited into the Applicants CDS Account mentioned in the Application. The applicants, therefore, must provide detail of their CDS Account (investors Account or Sub-Account) in the Shares Subscription Form. Investors who do not have CDS account may visit www.cdcpakistan.com for information and details. For further guidance and queries regarding opening of CDS account, investors may contact CDC at phone Number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com.

NAMES(S) AND ADDRESS(ES) MUST BE WRITTEN IN FULL BLOCK LETTERS, IN ENGLISH AND SHOULD NOT BE ABBREVIATED.

ALL APPLICATIONS MUST BEAR THE NAME AND SIGNATURE CORRESPONDING WITH THE ONE RECORDED WITH THE APPLICANT'S BANKER. IN CASE OF DIFFERENCE OF SIGNATURE WITH THE BANK AND COMPUTERIZED NATIONAL IDENTITY CARD (CNIC) OR THE NATIONAL IDENTITY CARD FOR OVERSEAS PAKISTANI (NICOP) OR PASSPORT, BOTH THE SIGNATURES SHOULD BE AFFIXED ON THE APPLICATION FORM.

13.1.3 Opening and Closing of the Subscription List

The subscription list will open at the commencement of banking hours on October 2nd, 2024 and will close on October 3rd, 2024 at the close of banking hours. **Please note that online applications can be submitted 24 hours during the subscription period which will close at 12:00 midnight on October 3rd, 2024.**

13.1.4 E-IPO System

In order to facilitate investors, PSX has developed an e-IPO System ("PES") through which electronic applications can be filed for subscription of securities offered to the general public. PES can be accessed through the web link (<https://eipo.psx.com.pk>).

Investors can register themselves online at any time 24/7. On behalf of an investors, registration can also be done by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

An e-IPO application can be filed by an investor during the public subscription period which shall close at midnight on October 3rd, 2024. On behalf of investors, e-IPO applications can also be filed by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

Subscription money can be paid by the investor through 1LINK or NIFT. On behalf of investors, subscription money can also be paid by:

- the TREC Holder with whom the investor has a sub-account, or
- the Bank with whom the investor has a bank account.

In case of queries regarding PES, investors may contact Mr. Farrukh Shahzad at phone number: 111-001-122 or (021)-35274401-10, and email: itss@psx.com.pk Tutorial for PES can be found on the weblink i.e., <https://eipo.psx.com.pk/EIPO/home/index>.

(i) Centralized E-IPO System (CES):

CES can be accessed through the web link (www.cdceipo.com). Payment of subscription money can be made through 1LINK's member banks available for CES.

For making application through CES, investors must be registered with CES. Registration can be done under a self-registration process by filling the CES registration form, which is available 24/7 all throughout the year.

In addition to the above, investors/sub-account holder(s) can request their respective TREC Holders who are Participants in Central Depository System (CDS) to make electronic subscription on their behalf for subscription of securities of a specific company by authorizing (adding the details of) their respective Participant(s) in CES. Consequently, authorized Participants will electronically subscribe on behalf of their sub-account holder(s) in securities offered through Initial Public Offerings and will also be able to make payment against such electronic subscriptions through all the available channels mentioned on CES only after receiving the subscription amount from the sub-account holder(s). To enable this feature, the CDS Participant may request CDC to activate his ID on the CES portal. For queries regarding CES, investors may contact CDC at phone number: 0800 – 23275 (CDCPL) and e-mail: info@cdcpak.com or contact Mr. Owais Anwer at Phone 021-111-111-500 Ext 500 and email: owais_anwer@cdcpak.com.

13.1.5 Applications made by Individual Investors

1. In case of individual investors, an attested photocopy of CNIC (in case of Resident Pakistanis) / NICOP or Passport (in case of Non-Resident Pakistanis) as the case may be, should be enclosed and the number of CNIC / NICOP / Passport should be written against the name of the applicant. Copy of these documents can be attested by any Federal / Provincial Government Gazette Officer, Councilor, Oath Commissioner or Head Master of High School or bank manager in the country of applicant's residence.
2. Original CNIC / NICOP / Passport, along with one attested photocopy, must be produced for verification to the Banker(s) to the Issue and the applicant's banker (if different from the Banker to the Issue) at the time of presenting the application. The attested photocopy will, after verification, be retained by the bank branch along with the application.

Aforementioned requirements pertaining to CNIC/NICOP only applies to physical applications and would not be required in E-IPO facility.

13.1.6 Applications made by Institutional Investors

1. Applications made by companies, corporate bodies, mutual funds, provident / pension / gratuity funds / trusts and other legal entities must be accompanied by an attested photocopy of their Memorandum and Articles of Association or equivalent instrument / document. Where applications are made by virtue of Power of Attorney, the same should also be submitted along with the application. Any Federal / Provincial

Government Gazette Officer, Councilor, Bank Manager, Oath Commissioner and Head Master of High School or bank manager in the country of applicant's residence can attest copies of such documents.

2. Attested photocopies of the documents mentioned in Section 13.1.5 must be produced for verification to the Banker(s) to the Issue and the applicant's banker (if different from the Banker(s) to the Issue) at the time of presenting the application. The attested copies, will after verification, be retained by the bank branch along with the application.

13.1.7 Additional Instructions for Investors

1. Only one application will be accepted against each account, however, in case of joint account, one application may be submitted in the name of each joint account holder.
2. Joint application in the name of more than two persons will not be accepted. In case of joint application each applicant must sign the application, form and submit attested copies of their CNICs / NICOP / Passport. The share certificates will be dispatched to the person whose name appears first on the application form while in case of CDS, it will be credited to the CDS account mentioned on the face of the form and where any amount is refundable, in whole or in part, the same will be refunded by cheque or other means by post, or through the bank where the application was submitted, to the person named first on the application form, without interest, profit or return. Please note that joint application will be considered as a single application for the purpose of allotment of shares.
3. Subscription money must be paid by check drawn on applicant's own bank account or pay order / bank draft payable to one of the Bankers to the Issue, account titled as "**BF BIOSCIENCES LTD – GENERAL SUBSCRIPTION**", and crossed "**A/C PAYEE ONLY**".
4. For the applications made through pay order / bank draft, it would be permissible for a Bankers to the Issue to deduct the bank charges while making refund of subscription money to unsuccessful applicants through pay order / bank draft individually for each application.
5. The applicant should have at least one bank account with any of the commercial banks. The applicants not having a bank account at all (non-account holders) are not allowed to submit application for subscription of shares.
6. Applications are not to be made by minors and / or persons of unsound mind.
7. Applicants should ensure that the bank branch, to which the application is submitted, completes the relevant portion of the Application Form.
8. Applicants should retain the bottom portion of their Application Forms as provisional acknowledgement of submission of their applications. This should not be construed as an acceptance of the application or a guarantee that the applicant will be allotted the number of shares for which the application has been made.
9. Making of any false statements in the application or willfully embodying incorrect information therein shall make the application fictitious and the applicant or the bank shall be liable for legal action.
10. Bankers to the Issue are prohibited to recover any charges from the subscribers for collecting subscription applications. Hence, the applicants are advised not to pay any extra charges to the Bankers to the Issue.
11. It would be permissible for a Bankers to the Issue to refund subscription money to unsuccessful applicants having an account in its bank by crediting such account instead of remitting the same by cheque, pay order or bank draft. Applicants should, therefore, not fail to give their bank account numbers.
12. Submission of false and fictitious applications is prohibited and such applications' money may be forfeited under Section 87(8) of the Securities Act, 2015.

13.1.8 Additional Instructions for Foreign / Non-Resident Investors

1. In case of foreign investors who are not individuals, applications must be accompanied with a letter on applicant's letterhead stating the legal status of the applicant, place of incorporation and operations and line of business. A copy of Memorandum of Association or an equivalent document should also be enclosed, if available. Where applications are made by virtue of Power of Attorney, the same must be lodged with the

application. Copies of these documents can be attested by the bank manager in the country of applicant's residence.

- Foreign / Non-resident investors should follow payment instructions given in Section 12.1.16 of this Prospectus.

13.1.9 Code of Occupation of Investors/Applicants

Code	Occupation
01	Business
02	Business Executive
03	Service
04	Housewife
05	Household
06	Professional
07	Student
08	Agriculturist
09	Industrialist
10	Other

13.1.10 Nationality Code

Code	Name of Country
001	U.S.A
002	U.K
003	U.A.E
004	K.S.A
005	Oman
006	Bangladesh
007	China
008	Bahrain
009	Other

13.1.11 Minimum Amount of Application and Basis of Allotment of Shares of the Issue

The basis and conditions of transfer of shares to the General Public shall be as follows:

- Application for shares must be made for 500 shares or in multiples of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
- The minimum amount of application for subscription of 500 shares is the Issue Price x 500 shares.
- Application for shares below the minimum amount shall not be entertained.
- SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS PROHIBITED AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(8) OF THE SECURITIES ACT, 2015.**
- If the shares offered to the general public are sufficient to accommodate all applications, all applications shall be accommodated.
- If the shares applied for by the general public are in excess of the shares allocated to them, the distribution shall be made by computer balloting, in the presence of the representative(s) of PSX in the following manner:
 - If all applications for 500 shares can be accommodated, then all such applications shall be accommodated first. If all applications for 500 shares cannot be accommodated, then balloting will be conducted among applications for 500 shares only.

- If all applications for 500 shares have been accommodated and shares are still available for allotment, then all applications for 1,000 shares shall be accommodated. If all applications for 1,000 shares cannot be accommodated, then balloting will be conducted among applications for 1,000 shares only.
 - If all applications for 500 shares and 1,000 shares have been accommodated and shares are still available for allotment, then all applications for 1,500 shares shall be accommodated. If all applications for 1,500 shares cannot be accommodated, then balloting will be conducted among applications for 1,500 shares only.
 - If all applications for 500 shares, 1,000 shares and 1,500 shares have been accommodated and shares are still available for allotment, then all applications for 2,000 shares shall be accommodated. If all applications for 2,000 shares cannot be accommodated, then balloting will be conducted among applications for 2,000 shares only.
 - After allotment in the above-mentioned manner, the balance shares, if any, shall be allotted in the following manner:
 - If the remaining shares are sufficient to accommodate each application for over 2,000 shares, then 2,000 shares shall be allotted to each applicant and remaining shares shall be allotted on pro-rata basis.
 - If the remaining shares are not sufficient to accommodate all the remaining applications for over 2,000 shares, then balloting shall be conducted for allocation of 2,000 shares to each successful applicant.
7. If the Issue is over-subscribed in terms of amount only, then allotment of shares shall be made in the following manner:
- First preference will be given to the applicants who applied for 500 shares;
 - Next preference will be given to the applicants who applied for 1,000 shares;
 - Next preference will be given to the applicants who applied for 1,500 shares;
 - Next preference will be given to the applicants who applied for 2,000 shares; and then
 - After allotment of the above, the balance shares, if any, shall be allotted on pro rata basis to the applicants who applied for more than 2,000 shares.
8. Allotment of shares will be subject to scrutiny of applications for subscription of shares.
9. Applications, which do not meet the above requirements, or application which are incomplete, will be rejected.

13.1.12 Basis of Allotment

The basis and conditions of transfer of shares to the General Public shall be as follows:

1. The minimum value of application will be calculated as Issue Price x 500 shares. Application for amount below the minimum value shall not be entertained.
2. Application for shares must be made for 500 shares or in multiple of 500 shares only. Applications which are neither for 500 shares nor for multiples of 500 shares shall be rejected.
3. Allotment / Transfer of shares to successful applicants shall be made in accordance with the allotment criteria / instructions disclosed in the Prospectus.
4. Allotment of shares shall be subject to scrutiny of applications in accordance with the criteria disclosed in the Prospectus and / or the instructions by the Securities & Exchange Commission of Pakistan.
5. Applications, which do not meet the above requirements, or applications which are incomplete will be rejected. The applicants are, therefore, required to fill in all data fields in the Application Form.
6. The Company will credit shares in the CDS Accounts of the successful applicants.

13.2 REFUND/UNBLOCKING OF SUBSCRIPTION MONEY TO UNSUCCESSFUL APPLICANTS

As per the regulation 11(4) of the PO Regulations, within five (5) working days of the close of public subscription period the Shares shall be allotted and issued against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/ refunded.

As per sub-section (2) of Section 68 of the Companies Act, if refund as required under sub-section (1) of Section 68 of the Companies Act is not made within the time specified hereinabove, the directors of the company shall be jointly and severally liable to repay that money with surcharge at the rate of two percent (2%) for every month or part thereof from the expiration of the fifteenth day and, in addition, shall be liable to a penalty of level 3 on the standard scale as defined in Section 479 of the Companies Act. Provided that the directors of the Company shall not be liable if it proves that the default in making the refund was not on their own account and was not due to any misconduct or negligence on their part.

In case retail portion of the Issue remains unsubscribed, the unsubscribed shares shall be allotted to the successful bidders at the strike price on pro-rata basis.

13.3 ISSUE AND CREDIT OF SHARES

Within five (5) working days of the closing of public subscription period, the shares shall be allotted, issued and credited against the accepted and successful applications and the subscription money of the unsuccessful applicants shall be unblocked/refunded, as required under regulation 11(4) of the PO Regulations. **Shares will be issued only in the book-entry form and will be credited into the respective CDS Accounts of the successful applicants. Therefore, the applicants must provide their CDS Account Number in the Shares Subscription Applicant.**

If the Company defaults in complying with the above requirements, it shall pay PSX a penalty of PKR 5,000 per day for every day during which the default continues. PSX may also notify the fact of such default and name of the Company by notice and also by publication in its ready-board quotation of the Stock Exchange.

Name of the Company will also be notified to the TRE Certificate Holders of the PSX and placed on the web site of the PSX.

13.4 TRANSFER OF SHARES

The shares shall be transferred in accordance with the provisions of Section 74 of the Companies Act read with Section 75 thereof and the Central Depositories Act, 1997 and the CDCPL Regulations.

13.5 LIST OF BANKERS TO THE ISSUE

Code	Name of Bank
01	Habib Bank Limited
02	Meezan Bank Limited
03	Faysal Bank Limited
04	Habib Metropolitan Bank Limited

13.6 MINIMUM AMOUNT OF APPLICATION

As per PO Regulations, the minimum amount of application shall not be less than the "Issue Price x 500 shares".

13.7 INTEREST OF SHAREHOLDERS

None of the holders of the Issued shares of the Company have any special or other interest in the property or profits of the Company other than their capacity as holder of Ordinary shares except from the shareholders who are also the Director of the company. Directors of the Company have interest in receiving remuneration for their role as Directors.

13.8 ELIGIBILITY FOR DIVIDEND

The ordinary shares issued shall rank pari-passu with the existing shares in all matters of the Company, including the right to such bonus or right issues, and dividend as may be declared by the Company subsequent to the date of issue of such shares.

13.9 DEDUCTION OF ZAKAT

Income distribution will be subject to deduction of Zakat at source, pursuant to the provisions of Zakat and Ushr Ordinance, 1980 (XVIII of 1980) as may be applicable from time to time except where the Ordinance does not apply to any shareholder or where such shareholder is otherwise exempt or has claimed exemption from payment / deduction of Zakat in terms of and as provided in that Ordinance.

13.10 CAPITAL GAINS TAX

Capital gains derived from the sale of listed securities are taxable in the following manner under section 37A of Income Tax Ordinance, 2001 effective from July 1, 2024:

Sr. No.	Capital Gain Tax for FY 2025	Investors Appearing in ATL	Investors Not Appearing in ATL
1	Where the securities are acquired before the first day of July, 2013.	0%	0%
2	Where the securities are acquired on or after the first day of July, 2013 but on or before the 30th day of June, 2022.	12.5%	25.0%
3	Where the securities are acquired on or after the first day of July, 2022 but on or before the 30th day of June, 2024, below reduced rates of tax on capital gain arising on disposal shall apply:		
	1. Where holding period does not exceed one year	15.0%	15.0%
	2. Where holding period exceed one year but does not exceed two years	12.5%	12.5%
	3. Where holding period exceed two years but does not exceed three years	10.0%	10.0%
	4. Where holding period exceed three years but does not exceed four years	7.5%	7.5%
	5. Where holding period exceed four years but does not exceed five years	5.0%	5.0%
	6. Where holding period exceed five years but does not exceed six years	2.5%	2.5%
	7. Where holding period exceed six years	0.0%	0.0%
4	Where the securities are acquired on or after the first day of July, 2024 onwards:		
	Where the securities are acquired on or after the first day of July, 2024 and onwards.	15.0%	As per rates specified in First Schedule, Part 1, Division 1 for individuals and association of persons and Division II for companies. Provided that the rate of tax for individuals and association of persons shall not be less than 15% in any case.

13.11 WITHHOLDING TAX ON DIVIDENDS

Dividend distribution to shareholders will be subject to withholding tax under section 150 of the Income Tax Ordinance, 2001 as specified in Part III Division I of the First Schedule of the said ordinance or any time-to-time amendments therein. In terms of the provision of Section 8 of the said ordinance, said deduction at source, shall be deemed to be full and final liability in respect of such profits in case of persons only. Applicable withholding tax rate on dividend is 15% for filer and 30% for non-filer.

13.12 TAX ON BONUS SHARES

As per section 236 of the Finance Act 2023, bonus shares shall only be issued to shareholder, if a Company collects from shareholder, tax equal to 10% of the value of the bonus shares issued.

13.13 INCOME TAX

The income of the Company is subject to Income Tax under the Income Tax Ordinance, 2001.

13.14 DEFERRED TAXATION

Deferred tax is provided using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts, for financial reporting purposes. Deferred tax liabilities are recognized for all taxable temporary differences and deferred tax assets are recognized for all deductible temporary differences, carry-forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forwards of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each balance sheet date and are recognized to the extent that it has become probable that future taxable profits will allow deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset only if there is a legally enforceable right to offset current tax assets and liabilities and they relate to the income tax levied by the same tax authority.

13.15 SALES TAX

General Sales Tax is applicable as per Sales Tax Act, 1990 on supplies and services. Sales tax is applicable on services as per Punjab Sales Tax on Services Act, 2012 by Punjab Revenue Authority. Sales tax is applicable on services as per Sindh Sales Tax on Services Act, 2011 by Sindh Revenue Board.

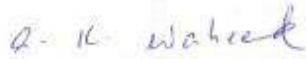
13.16 SALES TAX ON SALE / PURCHASE OF SHARES

Under the Constitution of Pakistan and Articles 49 of the 7th NFC Award, the Government of Sindh, Government of Punjab, Government of Khyber Pakhtunkhwa and Government of Baluchistan have promulgated the Sindh Sales Tax on Services Act, 2011, Punjab Sales Tax on Services Act, 2012, Khyber Pakhtunkhwa Sales Tax on services through Khyber Pakhtunkhwa Finance Act, 2013 and the Baluchistan Sales Tax on services Act, 2015 respectively. The Sindh Revenue Board, the Punjab Revenue Authority, and the Khyber Pakhtunkhwa Revenue Authority and the Baluchistan Revenue Authority administer and regulate the levy and collection of the Sindh Sales Tax ("SST"), Punjab Sales Tax ("PST"), Khyber Pakhtunkhwa Sales Tax ("KST") and Baluchistan Sales Tax ("BST") respectively on the taxable services provided or rendered in Sindh, Punjab or Khyber Pakhtunkhwa provinces respectively.

The value of taxable services for the purpose of levy of sales tax is the gross commission charged from clients in respect of purchase or sale of shares in a Stock Exchange. The above-mentioned Acts levy a sales tax on Brokerage at the rate of 15% in Sindh, 16% in Punjab and in Baluchistan and Khyber Pakhtunkhwa the rate is 15%. Sales tax charged under the aforementioned Acts is withheld at source under statutory requirements.

14. SIGNATORIES TO THE PROSPECTUS

SIGNATORIES TO THE PROSPECTUS



Akhter Khalid Waheed
CEO/Executive Director



Osman Khalid Waheed
Non-Executive Director



Munize Azhar Peracha
Non-Executive Director



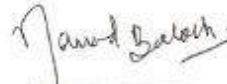
S M Wajeeh Uddin
Independent Director



Sebastian Martin Ferrarassi
Chairman/Non-Executive Director



Amna Piracha Khan
Non-Executive Director



Naveed Kamran Baloch
Independent Director

WITNESSES



Muhammad Farhan Rafiq
Chief Operating Officer



Zain Raza
Manager Financial Reporting

Certified by:

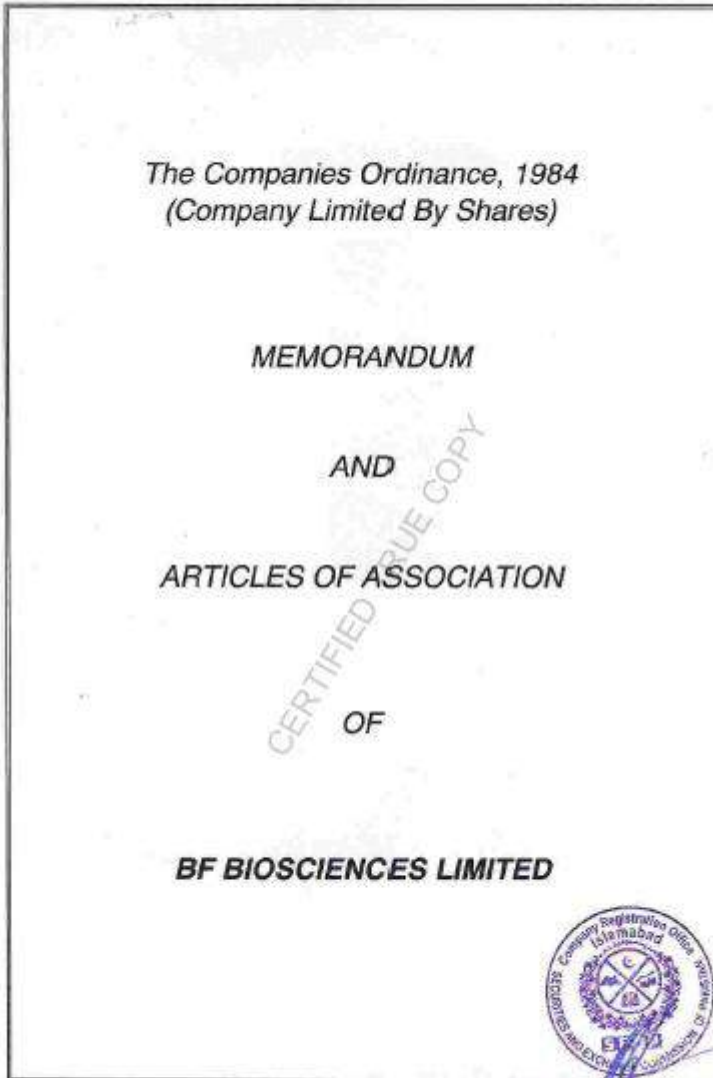


Abdur Rehman
CFO & Company Secretary



Date: 24 July 2024

15. MEMORANDUM OF ASSOCIATION



THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)

MEMORANDUM OF ASSOCIATION

OF

BF BIOSCIENCES LIMITED

- I. The name of Company is "BF BIOSCIENCES LIMITED".
- II. The Registered office of the Company will be situated in the Province of Punjab, Pakistan.
- III. The objects for which the Company is established are all or any of the following:-
 1. To carry on the business of manufacturers, producers, importers, exporters, dealers, distributors, agents, wholesale and retail dealers of all kinds of medicines, drugs, pharmaceuticals including injectables, veterinary medicines and dentistry medicines for the health care of human beings as well as animals.
 2. To carry on the business of distributors, suppliers, importers and exporters of and dealers in all kinds of medicines, chemicals, perfumery, toilet requisites, pharmaceuticals, veterinary medicines, dentistry medicines and other compounds, preparations and materials.
 3. To carry on the business of manufacturers of and dealers in anatomical, orthopedic and surgical appliances of all kinds, vialling, bottling, packing, repacking and processing of capsules, syrups, tablets, injectables and ointments and to carry on the business as providers of all requisites for hospitals, patients, invalids, fowls, veterinary hospitals, hatcheries and poultry farms.



4. To prepare, compound, manufacture, buy, sell, import, export and generally to deal in medicines, drugs, propriety articles, tinctures, chemicals, pomades, ointments, liniments, lotions, toilet articles, perfumeries, cosmetics, soaps, essences, surgical apparatus, physicians and hospital supplies and specialties and all kinds of pharmaceuticals, perfumery, toilet and medical preparations and materials, plastics, glassware and veterinary products subject to any permission required by law.
5. To carry on the business of general order suppliers including for Government, semi-Government agencies, armed forces, and commission agents, indentors, traders and as general merchants, wholesalers, retailers, dealers, distributors, stockists, sub-agents in any goods or products or within the scope of the objects of the Company subject to any permission required under the law.
6. To carry on business and obtain licences for shipping agents, clearing and forwarding agents, purchasing and indenting agents, selling agents, (except managing agent) on such terms and conditions as the Company may think proper, subject to any permission as required under the law.
7. To carry on agency business (except managing agency) and to acquire and hold selling agencies and to act as selling agents, commission agents, manufacturers' representatives and distributing agents of and for the distribution of all kinds of merchandise, goods, commodities, products, materials, substances, articles and things whether finished, semi-finished, raw, under process, refined, treated or otherwise pertaining to trade and commerce and for that purpose to remunerate them and to open and maintain depots and branches.
8. To purchase, take on lease or in exchange, hire, apply for or otherwise acquire and hold for any interest, any rights, privileges, lands, building, easements, trade marks, patents, patent rights, copyrights, licences, machinery, plants, stock-in-trade and any movable and immovable property of any kind necessary or convenient for the purposes of or in connection with the Company's business or any branch or department thereof and to use, exercise, develop, grant licences in respect of or otherwise turn to account any property, rights and information so acquired, subject to any permission required under the law.
9. To acquire by concession, grant, purchase, barter, licence either absolutely or conditionally and either solely or jointly with others any lands, buildings, machinery, plants, equipments, privileges, rights, licences, trade marks, patents, and other movable and immovable property of any description which the Company may deem necessary or which may seem to the Company capable of being turned to account, subject to any permission as required under the law.
10. To act as representatives, for any person, firm or company and to undertake and perform sub-contracts, and also act in the business of the Company through or by means of agents, sub-contractors and to do all or any of the things mentioned



herein in any part of the world and either alone or in collaboration with others and by or through agents, sub-contractors or otherwise.

11. To go in for, buy or otherwise acquire and use any patent design, copyright, licence, concession, convenience, innovation, invention, trade marks, rights, privileges, plants, tools or machinery and the like in Pakistan or elsewhere, which may for the time being appear to be useful or valuable for adding to the efficiency or productivity of the Company's work or business, as permissible under the law.
12. To acquire and carry on all or any part of the business or property and to undertake any liabilities of any person, firm, association or company's possession of property suitable for any of the purposes of the Company or carrying on any business which this Company is authorised to carry on and in consideration for the same, to pay cash or to issue shares of the Company.
13. To enter into arrangements with the government or authority (federal, provincial, municipal, local or otherwise) or any corporation, company or persons that may seem conducive to the Company's objects or any of them and to obtain from any such government, authority, corporation, company or person any charters, contracts, rights, privileges and commission which the Company may think desirable and to carry on exercise and comply with any such charters, contracts, decrees, rights, privileges and concessions.
14. To enter into partnership, to amalgamate or merge movable with immovable and / or to buy on all interests, assets, liabilities, stocks or to make any arrangement for sharing profits, union of interests, cooperation, joint-venture, reciprocal concession or otherwise with any person, firm or company carrying on or proposing to carry on any business which this Company is authorised to carry on or which is capable of being conducted so as directly or indirectly to benefit this Company and to have foreign collaborations and to pay royalties / technical fees to collaborators, subject to the provisions of the Companies Ordinance, 1984.
15. To establish, promote or assist in establishing or promoting and subscribe to or become a member of any other company, association or club whose objects are similar or in part similar to the objects of this Company or the establishment or promotion of which may be beneficial to the Company, as permissible under the law.
16. To open accounts with any bank or banks and to draw, make, accept, endorse, execute, issue, negotiate and discount cheques, promissory notes, bills of exchange, bills of lading, warrants, deposit notes, debentures, letter of credit and other negotiable instruments and securities.
17. To arrange local and foreign currency loans from scheduled banks, industrial banks and financial institutions for the purpose of purchase, manufacture, market, supply, export and import of machinery, construction of factory, building and for the purpose of working capital or for any other purpose.



18. To sell or otherwise dispose of the whole or any part of the undertaking of the Company, either together or in portions for such consideration as the Company may think fit and in particular, for shares, debenture-stock or securities of any Company purchasing the same.
19. To borrow or raise money by means of loans or other legal arrangements from banks, or other financial institutions, or Directors in such manner as the Company may think fit and in particular by issue of debentures, debenture stock, perpetual or otherwise convertible into shares and to mortgage, or charge the whole or any part of the property or assets of the Company, present or future, by special assignment or to transfer or convey the same absolutely or in trust as may seem expedient and to purchase, redeem or payoff any such securities.
20. To pay all costs, charges, and expenses preliminary or incidental incurred in formation or about the promotion and establishment of the Company and to remunerate any person, firm or company for services rendered or to be rendered in or about the formation or promotion of the Company or the conduct of its business.
21. To give any servant or employee of the Company shares in the Company, commission in the profits of the Company's business or any branch thereof and for the purpose to enter into any agreement or scheme of arrangement as the Company may deem fit and to procure any servants or employees of the Company to be insured against risk of accident in the course of their employment by the Company.
22. To establish and support or aid in the establishment and support of associations, institutions, funds and conveniences calculated to benefit persons who are or have been directors of or who have been employed by or who are serving or have served the Company or any other Company which is a subsidiary or associate of the Company or the dependents or connection of such persons and to grant pensions, gratuities, allowances, reliefs and payments in any other manner calculated to benefit the persons described herein.
23. To distribute any of the Company's property and assets among the members in specie or in any manner whatsoever in case of winding up of the Company.
24. To guarantee the performance of contract and obligations of the Company in relation to the payment of any loan, debenture-stock, bonds, obligations or securities issued by or in favour of the Company and to guarantee the payment or return on such investments.
25. To carry out joint venture agreements with other companies or countries within the scope of the objects of the Company.
26. To cause the Company to be registered or recognised in any foreign country.




27. To do and perform all other acts and things as are incidental or conducive to the attainment of the above objects or any of them.
 28. To apply for and obtain necessary consents, permissions and licences from any Government, State, Local and other Authorities for enabling the Company to carry on any of its objects into effect as and when required by law.
 29. It is declared that notwithstanding anything contained in the foregoing object clauses of this Memorandum of Association nothing contained therein shall be construed as empowering the Company to undertake or to indulge in business of banking company, banking, leasing, investment, managing agency or insurance business directly or indirectly as restricted under the law or any unlawful operation.
 30. Notwithstanding anything stated in any object clause, the Company shall obtain such other approval or license from competent authority, as may be required under any law or the time being in force, to undertake a particular business.
- IV. The liability of the members is limited.
- V. The Authorized Capital of the Company is Rs. 1,200,000,000/- (Rupees One Billion Two Hundred Million) divided into 400,000,000 (Four Hundred Million) ordinary shares of Rs. 3 / (Rs. Three) each with power to increase and reduce the Capital of the Company and to divide the shares in the Capital for the time being into several classes in accordance with the provisions of the Companies Act, 2017.

We the several persons, whose names and addresses are subscribed as under are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:



We the several persons, whose names and addresses are subscribed as under are desirous of being formed into a Company in pursuance of this Memorandum of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Sr. No.	Name & Surname	Father's/Husband's name in full	Nationality with former Nationality	Occupation	Residential Address in full	No. of Shares taken by each Subscriber	Signature
1	Mrs. Akhter Khalid Waheed CNIC No. 37405-4348706-0	W/o Late Mr. Khalid Waheed	Pakistani	Director	99, Faizabad, Murree Road, Rawalpindi	One	 CERTIFIED TO BE TRUE COPY 18/9/19 Client Signature Secretary (Registration Office)
2	Mr. Osman Khalid Waheed CNIC No. 37405-4384955-7	S/o Late Mr. Khalid Waheed	Pakistani	Director	99, Faizabad, Murree Road, Rawalpindi	One	
3	Mr. Farooq Mazhar CNIC No. 42301-1088186-9	S/o Late Brig. Rosh. Mazharul Haq	Pakistani	Director	F 54, Block-5, K.D.A. Scheme-5, Kohbasha, Clifton, Karachi	One	
4	Mr. Ralys Eduardo Pflauser Passport No. 18445290N	S/o Ralys Angel Demetrio Pflauser	Argentinian	Director	Bernardo De Inojosa 248 BS-AS Argentina	One	
					Total:	Four	



THE COMPANIES ORDINANCE, 1984
(COMPANY LIMITED BY SHARES)

ARTICLES OF ASSOCIATION

OF

BF BIOSCIENCES LIMITED

I. PRELIMINARY

1. Table 'A' Not to Apply

The regulations in Table 'A' in the First Schedule to the Companies Ordinance, 1984 shall not apply to the Company except as reproduced herein.

2. Interpretation

In these articles, unless the context or the subject matter otherwise requires:

- (a) "Articles" mean these Articles as originally framed or as from time to time altered in accordance with law.
- (b) "Board" means a meeting of the Directors duly called and constituted or as the case may be, the Directors assembled at a Board.
- (c) "Company" means BF BIOSCIENCES LIMITED.
- (d) "Directors" mean the Directors for the time being of the Company or as the case may be, the Directors assembled at a Board.
- (e) "Month" means calendar month according to the English calendar.
- (f) "Office" means the registered office for the time being of the Company.

- (g) "Ordinance" means the Companies Ordinance, 1984 or any modification or re-enactment thereof for the time being in force.
- (h) "Register" means, unless the context otherwise requires, the register of members to be kept pursuant to Section 147 of the Ordinance.
- (i) "Seal" means the common or official seal of the Company.
- (j) "Section" means section of the Ordinance.
- (k) "Special Resolution" means the special resolution of the Company as defined in Section 2(1)(36) of the Ordinance.
- (l) Words importing masculine gender include the feminine gender and vice versa.
- (m) Words importing singular number include the plural number and vice versa.
- (n) Expression referring to writing shall, unless the contrary intention appears, be construed as including references to printing, lithography, photography and other modes of representing or reproducing words in a visible form.
- (o) Words importing persons shall include bodies corporate.
- (p) The head notes are inserted for convenience and shall not affect the construction of these Articles.
- (q) Unless the context otherwise requires words or expressions contained in these Articles shall bear the same meaning as in the Ordinance.

II. BUSINESS

3. Public Company

The Directors shall have regard to the restrictions on the commencement of business imposed by Section 146 if, and so far as, those restrictions are binding upon the Company.

III. SHARES

A. General

4. Shares Under Directors' Control

Subject to the provisions of the Ordinance and these Articles, the shares of the Company shall be under the control of the Directors, who may allot or otherwise



dispose of the same to such persons, on such terms and conditions, and at such times and for such consideration as the Directors think fit.

5. Amount Payable on Application

No shares shall be offered to the public for subscription except upon the term that the amount payable on application shall be the full amount of the nominal amount of the share.

6. Allotment of Shares

No share shall be issued at a discount except in accordance with the provisions of the Ordinance. The Directors shall, as regards any allotment of shares, duly comply with such of the provisions of Sections 68 to 73, as may be applicable to the Company. The minimum subscription upon which the Company may proceed to allot the shares shall be Rs.100,000 (Rupees one hundred thousand).

7. Share Certificates

Every person whose name is entered as a member in the Register shall, without payment, be entitled to receive within ninety (90) days after allotment or within forty-five (45) days of the application for registration of transfer, a certificate under the Seal specifying the share or shares held by him and the amount paid up thereon. Provided that, in respect of a share or shares held jointly by several persons, the Company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all.

8. Certificate under Seal

The certificate of title to shares shall be issued under the authority of the Directors or of a committee of Directors when authorized thereto by the Directors in such manner and form as the Directors may from time to time prescribe. The Seal shall be duly affixed to every share certificate issued by the Company.

9. Issuance of New Certificate

If a share certificate is defaced, lost or destroyed, it may be renewed on payment of such fee, if any, not exceeding one rupee, and on such terms, if any, as to evidence and indemnity and payment of expenses incurred by the Company in investigating title as the Directors think fit.

10. Joint Holders

The Company shall not be bound to register more than four persons as the joint holders of any share.



11. Trusts Not Recognized

Except as required by law, no person shall be recognized by the Company as holding any shares upon any trust, and the Company shall not be bound by or be compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share or any interest in any fractional part of a share or (except only as by these Articles or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.

12. Payment of Commission

The Company may at any time pay a commission to any person for subscribing/agreeing to subscribe (whether absolutely or conditionally) for any shares, debentures or debenture-stock in the Company or procuring or agreeing to procure subscriptions (whether absolutely or conditionally) for any shares, debentures or debenture-stock in the Company, but so that if the commission in respect of shares shall be paid or payable out of capital, the statutory requirements and conditions shall be observed and complied with, and the amount or rate of commission shall not exceed such percentage on the shares, debentures, debenture-stock in each case subscribed or to be subscribed, as may be determined by the Board subject to any limits required by law. The commission may be paid or satisfied, either wholly or partly, in cash or in shares, debentures or debenture-stock. The Company may also on any issue of shares pay such brokerage as may be lawful; provided that such brokerage shall not exceed such percentage on the shares, debentures or debenture-stock paid up, as may be determined by the Board subject to any limits required by law.

13. Bar on Use of Company Funds

Except to the extent and in the manner allowed by Section 95, no part of the funds of the Company shall be employed in the purchase of, or in loans upon the security of, the Company's shares.

B. Transfer of Shares

14. Transfer

The instrument of transfer of any share in the Company shall be executed both by the transferor and transferee, and the transferor shall be deemed to remain holder of the share until the name of the transferee is entered in the Register in respect thereof.

15. Form of Transfer

Shares in the Company shall be transferred in the following form, or in any usual or common form which the Directors shall approve:

4



BF BIOSCIENCES LIMITED

I _____ of _____ in consideration of the sum of Rupees _____ paid to me by _____ of _____ (the "Transferee"), do hereby transfer to the Transferee _____ the share(s) numbered _____ to _____ inclusive, in BF BIOSCIENCES LIMITED, to hold unto the Transferee, his executors, administrators and assigns, subject to the several conditions on which I held the same at the time of the execution hereof, and I, the Transferee, do hereby agree to take the said share (or shares) subject to the conditions aforesaid.

As witness our hands this ____ day of _____ 20__

Transferor	Transferee
_____	_____
Signature	Signature
<u>Witnesses</u>	Full Name, Father's/ Husband's Name
(1) _____	Nationality _____
Signature	_____
Full Address:	Occupation _____
_____	_____
_____	Full Address of Transferee: _____
_____	_____

(2) _____
Signature

Full Address:

16. Non-Refusal of Transfer of Shares

The Directors shall not refuse to transfer any fully paid shares unless the transfer deed is defective or invalid. The Directors may decline to recognize any instrument of transfer unless:



- (a) a fee not exceeding two rupees as may be determined by the Directors is paid to the Company in respect thereof; and
- (b) the duly stamped instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer.

If the Directors refuse to register a transfer of shares, they shall within one Month after the date on which the transfer deed was lodged with the Company send to the transferee and the transferor notice of the refusal indicating the defect or invalidity to the transferee, who shall, after removal of such defect or invalidity be entitled to re-lodge the transfer deed with the Company.

17. Closure of Register

On giving seven days previous notice in the manner provided in the Ordinance, the Register may be closed for such period or periods not exceeding forty-five (45) days in any one year as the Directors may from time to time determine, but so that the Register shall not be closed for a longer period than thirty (30) days at a time.

C: Transmission of Shares

18. Transmission

The executors, administrators, heirs, or nominees, as the case may be, of a deceased sole holder of a share shall be the only persons recognized by the Company as having any title to the share. In the case of a share registered in the names of two or more holders, the survivor or survivors, shall be the only persons recognized by the Company as having any title to the share.

19. Election to Register or Transfer

Any person becoming entitled to a share in consequence of the death or insolvency of a member shall, upon such evidence being produced as may from time to time be required by the Directors, have the right, either to be registered as a member in respect of the share or, instead of being registered himself, to make such transfer of the share as the deceased or insolvent person could have made; but the Directors shall, in either case have the same right to decline or suspend registration as they would have had in the case of a transfer of the share by the deceased or insolvent person before the death or insolvency.

20. Rights of Person Entitled by Transmission

A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in



respect of it to exercise any right conferred by membership in relation to meetings of the Company.

D. Alteration of Capital

21. Power to Increase Capital

The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as the resolution shall prescribe.

22. Further Issue of Capital

All further issue of shares capital shall first be subject to such of the provisions of Section 86 as are applicable to the Company. Thereafter, the Directors may dispose of the same in such manner as they think most beneficial to the Company.

23. Provisions Applicable to New Shares

The new shares shall be subject to the same provisions with reference to transfer, transmission and otherwise as the shares in the original share capital.

24. Consolidation and Sub-division

The Company may, by ordinary resolution :

- (a) consolidate and divide its share capital into shares of larger amount than its existing shares;
- (b) sub-divide its existing shares or any of them into shares of smaller amount than is fixed by the Company's memorandum of association, subject, nevertheless, to the provisos to clause (d) of sub-section (1) of Section 92;
- (c) cancel any shares which, at the date of the passing of the resolution, have not been taken or agreed to be taken by any person.

25. Reduction of Share Capital

The Company may, by Special Resolution, reduce its share capital in any manner and with, and subject to, any incident authorized and consent required by law.

IV. MEETINGS AND PROCEEDINGS

A. General Meetings

26. Statutory Meeting

The statutory general meeting of the Company shall be held within the period required by Section 157.



27. Annual General Meeting

A general meeting to be called annual general meeting, shall be held, in accordance with the provisions of Section 158, within eighteen Months from the date of incorporation of the Company and thereafter once at least in every year within a period of four Months following the close of its financial year and not more than fifteen Months after the holding of its last preceding annual general meeting as may be determined by the Directors.

28. Other Meetings

All general meetings of the Company other than the statutory meeting or an annual general meeting shall be called extraordinary general meetings.

29. Extraordinary General Meetings

The Directors may whenever they think fit, call an extraordinary general meeting, and extraordinary general meetings shall also be called on such requisition, or in default, may be called by such requisitionists, as is provided by Section 159.

B. Notice and Proceedings

30. Notice of Meetings

Twenty-one days notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) specifying the place, the day and the hour of meeting and, in case of special business, the general nature of that business, shall be given in the manner provided by the Ordinance for the general meeting, to such persons as are, under the Ordinance or the regulations of the Company, entitled to receive such notices from the Company; but the accidental omission to give notice to, or the non-receipt of notice by, any member shall not invalidate the proceedings at any general meeting.

31. Special Business

All business shall be deemed special that is transacted at an extraordinary general meeting, and also all that is transacted at an annual general meeting with the exception of declaring a dividend, the consideration of the accounts, balance sheet and the reports of the Directors and auditors, the election of directors, the appointment of, and the fixing of the remuneration of, the auditors.

32. Quorum

No business shall be transacted at any general meeting unless a quorum of members is present at that time when the meeting proceeds to business. Three members present personally who represent not less than twenty-five per cent of the total voting power, either on their own account or as proxies shall be a quorum.



33. Effect of Quorum Not Being Present

If within half an hour from the time appointed for the meeting a quorum is not present, the meeting, if called upon the requisition of members, shall be dissolved; in any other case, it shall stand adjourned to the same day in the next week at the same time and place, and, if at the adjourned meeting a quorum is not present within half an hour from the time appointed for the meeting, the members present, being not less than two, shall be a quorum.

34. Chairman of Meeting

The chairman of the Board of Directors, if any, shall preside as chairman at every general meeting of the Company, but if there is no such chairman, or if at any meeting he is not present within fifteen minutes after the time appointed for the meeting, or is unwilling to act as chairman, any one of the Directors present may be elected to be chairman, and if none of the Directors is present, or willing to act as chairman, the members present shall choose one of their number to be chairman.

35. Adjournment

The chairman may, with the consent of any meeting at which a quorum is present (and shall if so directed by the meeting), adjourn the meeting from time to time but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place. When a meeting is adjourned for ten days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.

36. Voting

At any general meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded. Unless a poll is so demanded, a declaration by the chairman that a resolution has, on a show of hands, been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the book of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes recorded in favor of, or against, that resolution.

37. Demand for Poll

A poll may be demanded only in accordance with the provisions of Section 167.

38. Manner of Taking Poll

If a poll is duly demanded, it shall be taken in accordance with the manner laid down in Section 168 and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded.



39. Time of Taking Poll

A poll demanded on the election of chairman or on a question of adjournment shall be taken at once.

40. Casting Vote

In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall have and exercise a second or casting vote.

C. Votes of Members

41. Right to Vote

Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands every member present in person shall have one vote except for election of directors in which case the provisions of Section 178 shall apply. On a poll every member shall have voting rights as laid down in Section 160.

42. Voting By Joint Holders

In case of joint-holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint-holders; and for this purpose seniority shall be determined by the order in which the names stand in the Register.

43. Member Of Unsound Mind

A member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.

44. Voting: Corporation Representatives

On a poll votes may be given either personally or by proxy. Provided that no body corporate shall vote by proxy as long as a resolution of its directors in accordance with the provisions of Section 162 is in force.

45. Proxy to be in Writing

The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorized in writing. A proxy must be a member of the Company.

46. Instrument Appointing Proxy to be Deposited

The instrument appointing a proxy and the power-of-attorney or other authority (if any) under which it is signed, or a notarially certified copy of that power or



authority, shall be deposited at the Office not less than forty-eight hours before the time for holding the meeting at which the person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid.

47. Form of Proxy

An instrument appointing a proxy may be in the following form, or a form as near thereto as may be:

BF BIOSCIENCES LIMITED

I _____ of _____ in the district of _____ being a member of BF BIOSCIENCES LIMITED, hereby appoint _____ of _____ as my proxy to vote for me and on my behalf at the (annual/extraordinary as the case may be) general meeting of the Company to be held on the _____ day of _____ 20__ and at any adjournment thereof.

48. Revocation of Authority

A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the share in respect of which the proxy is given, provided that no intimation in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Company at the Office before the commencement of the meeting or adjourned meeting at which the proxy is used.

V. MANAGEMENT AND ADMINISTRATION

A. Board of Directors

49. Number of Directors

The number of Directors shall not be less than four. The first Directors, to hold office till the first annual general meeting shall be:

1. Mrs. Akhter Khalid Waheed
2. Mr. Osman Khalid Waheed
3. Mr. Farooq Mazhar
4. Mr. Rallys Eduardo Pliauzer

50. Qualification of Directors

Save as provided in Section 187, no person shall be appointed as a Director unless he is a member of the Company and holds qualification shares of such value, if any,



as may be determined by the Board from time to time not to exceed the statutory minimum. For purposes of this Article, the Director may hold the qualification shares in his own name relaxable in the case of a Director representing interest holding shares of the requisite value.

51. Chairman of the Board

The Directors may elect one of their number as the Chairman of the Board and vest in him such powers and functions as they may deem fit in relation to the management and administration of the affairs of the Company subject to their general supervision and control.

52. Managing Director/Chief Executive

The Directors may elect one of their number, or from outside their body, to be the Managing Director of the Company and vest in him such powers and functions as they deem fit in relation to the management and administration of the affairs of the Company subject to their general supervision and control. The Managing Director shall be the Chief Executive of the Company and, if not already a Director, he shall be deemed to be a Director of the Company and be entitled to all the rights and privileges and subject to all the liabilities of that office.

53. Remuneration

Subject to any approval or limits required by law, the terms and conditions and remuneration of:

- (a) a Director for performing extra services, including the holding of the office of Chairman,
- (b) the Managing Director/Chief Executive, and
- (c) any Director for attending the meetings of the Directors or a Committee of Directors shall be determined by the Board of Directors.

54. Alternate Director

A Director may, with the approval of the Board, appoint any person (including another Director) to be his alternate Director and such an alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly and generally to exercise all the rights of such absent Director subject to any limitations in the instrument appointing him. For the purposes of the proceedings at such meetings, the provisions of these Articles shall apply as if any alternate Director (instead of his appointer) were a Director. An alternate Director shall not require any share qualification and he shall ipso facto vacate office as and when his appointer (a) vacates office as a Director; (b) removes the appointee from office; or (c) returns to Pakistan. Provided upon each occasion upon which the



appointer thereafter leaves Pakistan again, and unless the appointer shall have informed the Company to the contrary, he shall be deemed to have reappointed the appointee as his alternate Director and no further approval of the Board shall be required unless the appointer desires to approve another person not previously approved by the Board as his alternate. If an alternate Director shall be himself a Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of quorum. Any appointment or removal under this Article shall be effected by notice in writing under the hand of the Director making the same.

B. Powers and Duties of Directors

55. General Management Powers

The business of the Company shall be managed by the Directors, who may pay all expenses incurred in promoting and registering the Company, and may exercise all such powers of the Company as are not by the Ordinance or by these regulations, required to be exercised by the Company in general meeting, subject nevertheless to the provisions of the Ordinance or to any of these regulations, and such regulations being not inconsistent with the aforesaid provisions, as may be prescribed by the Company in general meeting but no regulation made by the Company in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made.

56. Borrowing Powers

The Board may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and assets (both present and future), and to issue debentures, debenture stock, and other securities, whether outright or as collateral security for any debt, liability or obligation of the Company or of any third party.

57. Duties of Directors

The Directors shall duly comply with the provisions of the Ordinance and in particular with the provisions in regard to the registration of the particulars of mortgages and charges affecting the property of the Company or created by it, to the keeping of a register of the Directors, and to the sending to the registrar of an annual list of members and a summary of particulars relating thereto, and notice of any consolidation or increase of share capital, or sub-division of shares, and copies of Special Resolutions and a copy of the register of Directors and notifications of any changes therein.

58. Minute Books

The Directors shall cause minutes to be made in books provided for the purpose of:



- (a) all appointments of officers made by the Directors;
- (b) the names of the Directors present at each meeting of the Directors and of any committee of the Directors;
- (c) all resolutions and proceedings at all meetings of the Company and of the Directors and of committees of Directors; and every Director present at any meeting of Directors or committee of Directors shall sign his name in a book to be kept for that purpose.

C. Disqualification of Directors

59. Disqualification of Directors

No person shall become a Director of the Company if he suffers from any of the disabilities or disqualifications mentioned in Section 187 and, if already a Director, shall cease to hold such office from the date he so becomes disqualified or disabled or:

- (a) if removed in accordance with Article 71; or
- (b) if by notice in writing given to the Company he resigns his office;

Provided, however, that no Director shall vacate his office by reason only of his being a member of any company which has entered into contracts with, or done any work for, the Company but such Director shall not vote in respect of any such contract or work, and if he does so vote, his vote shall not be counted.

D. Proceedings of Directors

60. Meetings of Directors

The Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings, as they think fit. Such number of Directors as constitute a majority of the Directors shall constitute a quorum. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes, the chairman shall have no casting vote. A Director may, and the secretary on the requisition of a Director shall, at any time, summon a meeting of Directors. Fourteen (14) days notice at the least (exclusive of the day on which the notice is served or deemed to be served, but inclusive of the day for which notice is given) shall be given for a meeting of Directors, provided that, if all the Directors entitled to attend and vote at any such meeting so agree, in writing, a meeting may be held of which less than fourteen (14) days notice has been given. Board meetings may be held by telephone or video conference, if permitted by applicable law, and the Directors participating may be anywhere.

61. Chairman of Directors Meetings

The Chairman of the Board shall preside at all meetings of the Board but, if at any meeting the chairman is not present within ten minutes after the time appointed for



holding the same or is unwilling to act as chairman, the Directors present may choose one of their number to be chairman of the meeting.

62. Committees

The Directors may delegate any of their powers not required to be exercised in their meeting to committees consisting of such member or members of their body as they think fit. Any committee so formed shall, in the exercise of the powers so delegated, conform to any restrictions that may be imposed on it by the Directors.

63. Chairman of Committee Meetings

A committee may elect a chairman of its meetings, but, if no such chairman is elected, or if at any meeting the chairman is not present within ten minutes after the time appointed for holding the same or is unwilling to act as chairman, the members present may choose one of their number to be chairman of the meeting.

64. Proceedings of Committee Members

A committee may meet and adjourn as it thinks proper. Questions arising at any meeting shall be determined by a majority of votes of the members present. In case of an equality of votes, the chairman shall have and exercise a second or casting vote.

65. Validity of Directors Acts

All acts done by any meeting of the Directors or of a committee of Directors, or by any person acting as a Director, shall, notwithstanding that it be afterwards discovered that there was some defect in the appointment of such Directors or persons acting as aforesaid, or that they or any of them were disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director.

66. Resolution in Writing

Except for the matters specified in Section 196 of the Ordinance, a Resolution in writing signed by all the Directors for the time being in office shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted. For this purpose, it shall be permissible to circulate the text of the proposed resolution duly signed by the Chairman and obtain the signatures of all the other Directors thereon separately by fax (the signed original whereof shall be sent in due course by mail or courier to the Company for its record) and such resolution shall be effective as soon as the text of the resolution signed by each of the other Directors shall have been faxed to and received by the Company.



E. Election and Removal of Directors

67. First Election of Directors

At the first annual general meeting of the Company, all the Directors shall stand retired from office, and Directors shall be elected in their place in accordance with Section 178 for a term of three years.

68. Eligibility for Re-election

A retiring Director shall be eligible for re-election.

69. Election in Accordance with Ordinance

The Directors shall comply with the provisions of Sections 174 to 178 and Sections 180 and 184 relating to the election of Directors and matters ancillary thereto.

Notwithstanding that the number of persons offering themselves for election as Directors is not more than the number of Directors fixed under Article 49, the number of votes cast in favour of each candidate and the name of the Member casting such votes shall be recorded in the minutes of the meeting.

70. Filling of Casual Vacancy

Any casual vacancy occurring on the Board of Directors may be filled up by the Directors, but the person so chosen shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is chosen was last elected as Director.

71. Removal of Director

The Company may remove a Director but only in accordance with the provisions of the Ordinance.

VI. THE SEAL

72. Common Seal

The Directors shall provide a common seal of the Company which shall not be affixed to any instrument except by the authority of a resolution of the Board or by a committee of Directors authorized in that behalf by the Directors, and two Directors or one Director and the secretary of the Company shall sign every instrument to which the common seal is affixed.

73. Official Seal

The Directors may provide for the use in any territory, district or place not situated in Pakistan, of an official seal which shall be a facsimile of the common seal of the



Company, with the addition on its face of the name of every territory, district or place where it is to be used. The provisions of Section 213 shall apply to the use of the official seal.

VII. DIVIDENDS AND RESERVE

74. Declaration of Dividends

The Company in general meeting may declare dividends but no dividend shall exceed the amount recommended by the Directors.

75. Interim Dividends

The Directors may from time to time pay to the members such interim dividends as appear to the Directors to be justified by the profits of the Company.

76. Dividends Payable Out of Profits

No dividends shall be paid otherwise than out of profits of the year or any other undistributed profits. No unpaid dividend shall bear interest against the Company.

77. Dividends Payable on Amount Paid on Shares

All dividends shall be declared and paid according to the amounts paid on the shares.

78. Reserve Fund

The Directors may, before recommending any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable for meeting contingencies, or for equalizing dividends, or for any other purpose to which the profits of the Company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Directors may, subject to the provisions of the Ordinance, from time to time think fit.

79. Profit Carried Forward

The Directors may carry forward any profits which they may think prudent not to distribute, without setting them aside as a reserve.

80. Payment of Dividends in Specie

With the sanction of a general meeting any dividend may be paid wholly or in part by the distribution of specific assets and in particular of paid-up shares or debentures



of any other company or in any one or more of such ways. Where any difficulty arises in regard to such distribution, the Directors may settle the same as they think expedient, and in particular may fix the value for distribution of such specific assets or any part thereof and may determine that cash payments shall be made to any members upon the footing of the value so fixed, in order to adjust the rights of all members, and may vest any such specific assets in trustees upon trust for the members entitled to the dividend as may seem expedient to the Directors.

81. Dividends to Joint Holders

If several persons are registered as joint-holders of any share, any one of them may give effectual receipt for any dividend payable on the share.

82. Notice of Dividend

Notice of any dividend that may have been declared shall be given in the manner hereinafter mentioned to the persons entitled to share therein. The Company may give such notice by advertisement in a newspaper circulating in the Province in which the Office is situated.

83. Period for Payment of Dividend

The dividend shall be paid within the period laid down in Section 251.

VIII. ACCOUNTS

84. Books of Account

The Directors shall cause to be kept proper books of account as required under Section 230.

85. Place where Accounts Kept

The books of account shall be kept at the Office or at such other place as the Directors shall think fit and shall be open to inspection by the Directors during business hours.

86. Inspection by Members

The Directors shall from time to time determine whether and to what extent and at what time and places and under what conditions or regulations the accounts and books or papers of the Company or any of them shall be open to the inspection of members not being Directors, and no member (not being a Director) shall have any right of inspecting of any account and book or papers of the Company except as conferred by law or authorized by the Directors or by the Company in general meeting.



87. Annual Accounts

The Directors shall as required by Sections 233 and 236 cause to be prepared and to be laid before the Company in general meeting such profit and loss accounts and balance sheets duly audited and reports as are referred to in those sections.

88. Balance Sheet and Profit and Loss Account

A balance-sheet, profit and loss account, and other reports referred to in the preceding Article shall be made out in every year and laid before the Company in the annual general meeting made up to a date not more than four months before such meeting. The balance sheet and profit and loss account shall be accompanied by a report of the auditors of the Company and the report of Directors.

89. Copy of Accounts to be Sent to Members

A copy of the balance sheet and profit and loss account and reports of Directors and auditors shall, at least twenty-one days preceding the meeting, be sent to the persons entitled to receive notices of general meetings in the manner in which notices are to be given as hereinafter provided.

90. Compliance with Ordinance

The Directors shall in all respect comply with the provisions of Sections 230 to 236.

91. Capitalization of Profits

The Company in general meeting may upon the recommendation of the Directors resolve that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the profit and loss account or otherwise available for distribution, and accordingly that such sum be set free for distribution among the members who would have been entitled thereto if distributed by way of dividend and in the same proportions, on condition that the same be not paid in cash but be applied in or towards paying up in full unissued shares or debentures of the Company to be allotted and distributed, credited as fully paid up to and amongst such members in the proportion aforesaid, and the Directors shall give effect to such resolution.

92. Audit

Auditors shall be appointed and their duties regulated in accordance with Sections 252 to 255.

IX. NOTICES93. Notice to Members etc.

Notice shall be given by the Company to members and auditors of the Company and other persons entitled to receive notice in accordance with law.



X. SECRECY**94. Secrecy**

Every Director, manager, adviser, auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe a strict secrecy respecting all transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any general meeting or by any court of law and except so far as may be necessary in order to comply with any of the provisions in these presents.

95. Members' Access to Company Premises

No member or other person (not being a Director) shall be entitled to enter upon the property of the Company or examine the Company's premises or properties without the permission of a Director, subject to Article 87, to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery of trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors will be inexpedient, in the interest of the members of the Company, to communicate.

XI. RECONSTRUCTION**96. Reconstruction**

On any sale of the undertakings of the Company the Directors or the liquidators on a winding up may, if authorized by a Special Resolution, accept fully paid shares, debentures or securities of any other company, either then existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profits of the Company permit), or the liquidators (in a winding up), may distribute such shares or securities, or any other properties of the Company amongst the members without realization, or vest the same in trustees for them, and any Special Resolution may provide for the distribution or appropriation of the cash, shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company, and for the valuation of any such securities or property at such price and in such manner as the meeting may approve, and all holders of shares shall be bound to accept and shall be bound by any valuation or distribution so authorized, and waive all rights in relation thereto save only such statutory rights (if any) as are, in case the Company is proposed to be or is in the course of being wound up, incapable of being varied or excluded by these presents.



XII. WINDING UP

97. Division and Distribution of Assets Upon Dissolution

If the Company is wound up, the liquidator may, with the sanction of a Special Resolution of the Company and any other sanction required by law, divide amongst the members in specie or kind the whole or any part of the assets of the Company (whether they shall consist of property of same kind or not) and may, for such purpose, set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the members or different classes of members. The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trust for the benefit of the contributories, as the liquidator with the like sanction, shall think fit, but so that no member shall be compelled to accept any shares or other securities whereon there is any liability.

XIII. INDEMNITY

98. Indemnification



Every officer or agent for the time being of the Company may be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, arising out of his dealings in relation to the affairs of the Company, except those brought by the Company against him, in which judgement is given in his favor or in which he is acquitted, or in connection with any application under Section 488 in which relief is granted to him by the court.





We the several persons, whose names and addresses are subscribed as under are desirous of being formed into a Company in pursuance of this Articles of Association and we respectively agree to take the number of shares in the Capital of the Company set opposite our respective names:

Sr. No.	Name & Surname	Father's/Husband's name in full	Nationality with former Nationality	Occupation	Residential Address in full	No. of Shares taken by each Subscriber	Signature
1	Mrs. Akhter Khalid Waheed CNIC No. 37405-0348706-0	W/o Late Mr. Khalid Waheed	Pakistani	Director	99, Faizabad, Murree Road, Rawalpindi	One	 CERTIFIED TO BE TRUE COPY 18/9/19 107 18/9/19
2	Mr. Osman Khalid Waheed CNIC No. 37405-0384955-7	S/o Late Mr. Khalid Waheed	Pakistani	Director	99, Faizabad, Murree Road, Rawalpindi	One	
3	Mr. Farooq Mazhar CNIC No. 42301-1068186-9	S/o Late Brig. Retd. Mazharul Haq	Pakistani	Director	F 54, Block-5, K.D.A. Scheme-5, Kehlshah, Clifton, Karachi	One	
4	Mr. Ralys Eduardo Pflauser Passport No. 18445290N	S/o Ralys Angel Demetrio Pflauser	Argentinian	Director	Bernardo De Irigoyen 248 BS-AS Argentina	One	
Total:						Four	

16. REGISTRATION FORM

REGISTRATION FORM									
 BF Biosciences Limited NTN no: 2643661	Book Runner 	Tick One <input type="checkbox"/> BHI <input type="checkbox"/> LHM <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> GRW <input type="checkbox"/> <input type="checkbox"/> QUT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/QLT <input type="checkbox"/> AAW <input type="checkbox"/> <input type="checkbox"/> FSD <input type="checkbox"/> MTN <input type="checkbox"/> SKT <input type="checkbox"/> RYK <input type="checkbox"/>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="font-size: small;">Registration Dates</td> <td style="font-size: small;">25th to 26th September, 2024</td> </tr> <tr> <td style="font-size: small;">Bidding Dates</td> <td style="font-size: small;">25th to 26th September, 2024</td> </tr> <tr> <td style="font-size: small;">Bidding Form No.</td> <td style="font-size: small;"></td> </tr> </table>	Registration Dates	25 th to 26 th September, 2024	Bidding Dates	25 th to 26 th September, 2024	Bidding Form No.	
Registration Dates	25 th to 26 th September, 2024								
Bidding Dates	25 th to 26 th September, 2024								
Bidding Form No.									
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF BF BIOSCIENCES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 55.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 52.00/- PER SHARE)									
PLEASE FILL THE FORM IN BLOCK LETTERS. PLEASE PROVIDE ACCURATE DETAILS TO AVOID ANY INCONVENIENCE. ELIGIBLE INVESTORS MUST SUBMIT ONLY ONE PAYORDER ALONG WITH THE REGISTRATION FORM.									
Name		CNIC/CUIN #							
		NTM#							
Address		Cell #							
		Land Line #							
E-mail		Fax #							
IBAN Number #		Bank Name							
PLEASE TICK THE APPROPRIATE BOX			Nationality (If other than Pakistani)						
<input type="checkbox"/> Local Institutional Investor		<input type="checkbox"/> Resident							
<input type="checkbox"/> Foreign Institutional Investor		<input type="checkbox"/> Non-Resident							
<input type="checkbox"/> Individual Investor		<input type="checkbox"/> Foreigner							
*INVESTORS ARE ENCOURAGED TO DISCLOSE THEIR PAN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX RETURN FILER OR NON-FILER FROM THE ACTIVE TAXPAYERS LIST (ATL) AVAILABLE ON THE WEBSITE OF FBR. PLEASE NOTE THAT REDUCED TAX RATE OF 10% APPLIES TO FILERS INSTEAD OF 30% FOR NON-FILERS ON PAYMENT OF GAIN DIVIDEND DECLARED, IF ANY, BY THE COMPANY.									
Payment Details:		Payments to be made in favor of "BF Biosciences – Book Building"							
Amount in Figures		Instrument #							
Instrument Date		Margin Waive							
Banker's Name, Address & Branch									
CDC Details for Sub A/C & House A/C									
CDC Participant Name		CDC Participant ID							
Sub A/C No.		House A/C No.							
CDC Details for Investor A/C									
CDC Investor Service A/C ID		CDC Investor A/C No.							
I UNDERTAKE TO SUBSCRIBE TO SHARES UNSUBSCRIBED IN THE RETAIL PORTION WHICH ARE ALLOCATED TO ME ON A PRO-RATA BASIS. I ALSO UNDERTAKE THAT MY BID MONEY SHALL REMAIN DEPOSITED OR BLOCKED TILL ALLOTMENT OF UNSUBSCRIBED SHARES IN THE RETAIL PORTION.									
I DECLARE THAT I have read all the terms and conditions stated in the Prospectus and the instructions Page of the Bidding Form. The same terms and conditions would be applicable on the Registration Form.									
Signature of Bidder: _____									

17. BIDDING FORM

BIDDING FORM							
 BF Biosciences Limited NTN No: 2643661	Book Runner 	Tick One <input type="checkbox"/> KIB <input type="checkbox"/> LHR <input type="checkbox"/> ISB <input type="checkbox"/> PSH <input type="checkbox"/> GRW <input type="checkbox"/> <input type="checkbox"/> QLT <input type="checkbox"/> AZK <input type="checkbox"/> BLT/GLT <input type="checkbox"/> AAW <input type="checkbox"/> <input type="checkbox"/> FSD <input type="checkbox"/> MTN <input type="checkbox"/> SRT <input type="checkbox"/> RYN <input type="checkbox"/>	<table border="1" style="width:100%; border-collapse: collapse;"> <tr> <td style="font-size: small;">Bidding Dates</td> <td>15th to 26th September, 2020</td> </tr> <tr> <td style="font-size: small;">Bidding Form No.</td> <td></td> </tr> </table>	Bidding Dates	15 th to 26 th September, 2020	Bidding Form No.	
Bidding Dates	15 th to 26 th September, 2020						
Bidding Form No.							
INITIAL PUBLIC OFFERING OF ORDINARY SHARES OF BF BIOSCIENCES LIMITED THROUGH BOOK BUILDING PROCESS AT A FLOOR PRICE OF PKR 55.00/- PER SHARE (INCLUDING A PREMIUM OF PKR 52.00/- PER SHARE)							
PLEASE TICK THE APPROPRIATE BOX							
Name	<input type="checkbox"/> Local Institutional Investor <input type="checkbox"/> Foreign Institutional Investor <input type="checkbox"/> Individual Investor						
Address	Cell #	Resident	Nationality (If other than Pakistani)				
	Land Line #	Non-Resident					
Fax #	E-mail:	Foreigner					
		CNIC #					
		NTN*					
*NEW SHAREHOLDERS MUST INCLUDE THEIR NTN NUMBERS TO FACILITATE THE COMPANY TO CHECK STATUS OF THE SHAREHOLDERS AS TAX EXEMPT FROM THE WITHHELD TAX ON DIVIDEND (WTD) AS PER THE PROVISIONS OF THE INCOME TAX ACT, 2001. PLEASE NOTE THAT REDUCED TAX RATE OF 15% APPLIES TO FILERS INSTEAD OF 30% FOR NON-FILERS ON PAYMENT OF CASH DIVIDEND DECLARED, IF ANY, BY THE COMPANY.							
Dividend Mandate: Mark tick [✓] in the appropriate boxes Yes [] No [] In case the Applicant intends that if Shares applied for are issued to him/it and the dividend declared by the Company, if any, is credited directly to his/it bank account, instead of issued of dividend warrants, then please fill in the following boxes:							
Title of Account							
Account Number							
Bank Name							
Branch Name & Address							
The Directors of BF Biosciences Limited 197-A, The Mall, Rawalpindi, 43000							
Dear Sir, On the basis of Prospectus by BF Biosciences Limited for the initial public offer of its ordinary shares, I/we hereby bid for subscription of shares of the Company as under:							
Bid Details							
Bid Option (Please tick)	No. of Shares (In Figures)	Bid Price Per Share (In Figures)	Total Amount (In Figures)				
Limit Order							
Step Order:							
Option [1]							
Option [2]							
Option [3]							
Option [4]							
Total (Shares and Price)							
Important instructions: 1) Bids should be placed for a minimum amount of PKR 1,000,000/-. It should also be noted that no. of shares bid for should be rounded and fractional shares will not be acceptable. Please ensure that after rounding the number of shares multiplied by your bid price, is at least PKR 1,000,000/-. 2) Eligible investors who want to place a Step Bid, must ensure that each step amounts to PKR 1,000,000/- at least. 3) Any bid received below the floor price will not be accepted by the Book Runner. 4) An investor shall not make downward revision both in terms of bid price and bid volume, provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. 5) An investor shall not make a bid with price variations of more than 10% of the prevailing indicative strike price subject to 40% maximum price band i.e. the strike price must not exceed 40% upper limit of floor price.							
Signature of Bidder: _____							

In terms of the Listing of Companies and Securities Regulations of the Pakistan Stock Exchange ("PSX"), (I/we am/are eligible to bid in this initial Public Offer of Ordinary Shares. The amount payable on bidding is mentioned herewith which is the applicable margin amount. (I/We agree to pay the balance amount of application money, if any, upon successful allocation of shares). In case no shares are allotted to me/us you are hereby authorized to return to me/us by demand draft/pay order application money, within three (3) working days of the close of the bidding period.

(I/We agree that this is a binding agreement to accept the number of shares or may be allocated to me/us subject to the terms of the Prospectus, the bidding form and other applicable laws. I/we undertake that I/we will sign all such other documents and do all such acts, if necessary on my/our part to enable me/us to be allocated/allotted/transferred the shares and to pay for the same. I/we authorize you to place my/our name(s) on the register of the members of the Company as holder(s) of the shares that will be allocated/allotted/transferred to me/us and to register my/our address as given below. I/ We noted that the Book Runner is enabled, in its absolute discretion to accept or reject this Bidding Application for reason(s) to be recorded in writing and the reason(s) should be disclosed to us forthwith. I/We have no objection if there are necessary changes made in the Prospectus for filing of the same with the Securities and Exchange Commission of Pakistan ("SECP").

I understand that the issuer, the Book Runner, SECP and the Stock Exchange reserve the right of legal action against me under the law, if I submit a fictitious bid and/or my the instrument deposited by me for margin money is bounced.

I DECLARE THAT: (i) I AM/WE ARE NATIONAL(S) AND RESIDENT(S) OF PAKISTAN; (ii) FOREIGNER; (iii) I AM/WE ARE NOT MINOR(S); (iv) I/ WE HAVE NOT MADE NOR HAVE I/WE INSTRUCTED ANY OTHER PERSON(S)/INSTITUTION(S) TO MAKE ANY OTHER APPLICATION(S) IN MY/OUR NAME(S) OR IN THE NAME OF ANY OTHER PERSON ON MY/OUR BEHALF OR IN ANY FICTITIOUS NAME. IN CASE OF ANY INFORMATION GIVEN HEREIN BEING INCORRECT I/WE UNDERTAKE THAT I/WE SHALL NOT BE ENTITLED FOR ALLOCATION/ALLOTMENT/TRANSFER OF SHARES.

Important instructions:

- 1) bids shall only be entered for those eligible investors who have submitted a duly filed registration form as prescribed by the book runner.
- 2) bid money / margin money shall be deposited through demand draft, pay order in favor of **"BF BIOSCIENCES LIMITED – BOOK BUILDING"**. For online transfer facility (pay order or demand draft may be deposited at any branch of Habib Bank Limited or Mezan Bank Limited and evidence to be submitted to the book runner) the payment shall be made into A/C # 00827902480000 in favour of **BF BIOSCIENCES LIMITED – BOOK BUILDING** maintained at Habib Bank Limited – State Life Building # 9, 15 – Cl - 10, Dr. Ziauddin Ahmed Road, Karachi or A/C # 00710110020015 in favour of **BF BIOSCIENCES LIMITED – BOOK BUILDING** maintained at Mezan Bank Limited – P&O Plaza Branch.
- 3) no deposit of margin money, only pay orders, demand drafts, or online transfer will be accepted. each eligible investor shall only submit a single pay order, demand draft or evidence of online transfer of money along with the Registration Form. It may also be noted that only a single pay order, demand draft or evidence of online transfer of money shall be accepted by the book runner along with each additional payment form.
- 4) in case of in-city instruments, only pay orders "payable at any branch" will be accepted. for the purpose of expediting the clearing of the instruments it is highly recommended that the pay order should be made from online branches of the respective banks.
- 5) eligible investors can register themselves till 5:00 pm on the last day of book building after which no new investors shall be registered.
- 6) investors can only upward revise their bids online. please visit www.bbb.ps.com.pk to access online. User name and password will be emailed to you on email address provided in the form. Please ensure that you provide correct email address. Online access will be available for upward bid revisions during the bidding period from 9:00 am to 5:00. An investor will not be allowed to place or upward revise a bid with a price variation of more than 10% of the prevailing indicative strike price subject to a maximum price band of 4% of the floor price. However, the bidder shall not make downward revision both in terms of bid price and bid volume; provided that in case of upward revision of the bid price, the number of shares bid for i.e. bid volume may be adjusted ensuring that the bid amount or bid money remains the same. No withdrawal of bid shall be allowed.

Yours Faithfully,

Signature of bidder: _____

To be filled in by the Book Runner:

Time of Receipt	Date	Location	Amount	Pay Order No. / Demand Draft No.	Stamp

18. GENERAL SUBSCRIPTION FORM

SUBMISSION OF FALSE AND FICTITIOUS APPLICATIONS IS AN OFFENCE UNDER SECTION 87(2) OF THE SECURITIES ACT, 2015 AND SUCH APPLICATIONS' MONEY MAY BE FORFEITED UNDER SECTION 87(3) OF THE SECURITIES ACT, 2015

مقدمہ ذیل میں کوئی بھی حقائق سے متصادم یا گمراہ کن معلومات فراہم کرنے یا ایسی معلومات فراہم کرنے سے اجتناب کرنا ضروری ہے۔

INVESTMENT IN SECURITIES IS A HIGHLY RISKY BUSINESS. INVESTORS ARE, THEREFORE, ADVISED IN THEIR OWN INTEREST TO CAREFULLY READ THE CONTENTS OF THE PROSPECTUS ESPECIALLY THE RISK FACTORS BEFORE MAKING ANY INVESTMENT DECISION.

BF Biosciences Limited
APPLICATION FOR SUBSCRIPTION OF SHARES

As per the Section 72 of Companies Act, 2017, the Company shall issue shares in book-entry form only. Therefore, shares of BF Biosciences Limited shall only be issued in scrip-less form in the CDG of CDCPL. (Refer to Instruction No.3 on the reverse hereof)

SUBSCRIPTION DATE: From 2nd to 3rd October, 2024 during banking hours

For Bank Name

Brotler's Stamp & Code	
FXR Code	
Banker's Stamp	
Bank Code	Branch Code
Application Serial No.	

CDC PARTICIPANT / ACCOUNT

HOLDER ID	SUB ACCOUNT NUMBER	HOUSE A/C NO.

OR

CDC INVESTOR ACCOUNT SERVICES ID	CDC INVESTOR ACCOUNT NO.	Do you want to avail CDC's facility of IPO Faciliton Account
		Yes No

1) I/We apply for the following number of Shares at Issue Price for the value indicated below:

No. of Shares Applied For	Amount Payable in PKR	Cheque/ Deposit/ Draft/ By Order No.

2) I/We agree to accept the same or any smaller number of Shares that may be allotted to me/us upon the terms as stated in the Prospectus. I/We authorize you to credit the Shares to me/us pursuant to this application and if no Shares or a smaller number of Shares are allotted to me/us you are hereby authorized to return to me/us by cheque or other means my/our application money for the amount of Shares not credited to me/us.

3) DECLARATION
I/We declare that: (i) I am/We are national(s) of _____ (ii) I am/We are not minor(s). (iii) I/We have not made nor have I/We instructed any other person(s)/institution(s) to make any other application(s) in my/our name(s) or in the name of any other person on my/our behalf or in any fictitious name; (iv) I/We agree to abide by the instructions provided with this application and in case of any information given herein being incorrect I/We understand that I/We shall not be entitled to the allotment of Shares if successful; (v) either the application money shall be liable to confiscation if this declaration proves to be incorrect at any time. Yours faithfully,

Signature(s) a) _____ b) _____

4) ALL DETAILS MUST BE WRITTEN IN BLOCK LETTERS IN THE SPACES PROVIDED, LEGIBLY IN BLACK PEN

a) Name in Full (as per CNIC): _____

Father's/Husband's Name (as per CNIC): _____

Identity Number (CNIC/Passport Registration No.): _____

Full Address: _____

Phone No. _____ Occupation Code _____ Muslim _____ Non Muslim _____

International Bank Account Number (IBAN) _____

Bank Name _____

Branch Name & Address _____

Additional Information - For Non-Resident Pakistanies and Foreign Investors Only

Place of Issue of Passport _____ Date of Issue of Passport (DD-MM-YYYY) _____

Corporate Status (Last-enclosed) Yes _____ No _____ Nationality Code _____ Country of Residence _____

b) Name in Full (as per CNIC): _____

Identity Number (CNIC/Passport Registration No.): _____

DIVIDEND MANDATE: Mark tick (✓) in the appropriate boxes Yes [] No []

In order to enable the Company to credit the cash dividend declared, if any, by the Company, in Shareholder Holder bank account, instead through dividend warrants, please fill in the following boxes:

Title of Account _____

International Bank Account Number (IBAN) _____

Bank Name _____

Branch Name and Address _____

Signature of the Applicant as per the Bank account

(TO BE FILLED IN BY THE APPLICANT'S BANKERS)

I) It is certified that the above mentioned applicant(s) whose maintaining account number as mentioned above at this bank branch and has/have their particulars and signature(s) are correct and verified as per the bank's record and their CNIC/Passport. It is further certified that only one application has been made in the name of the above account holder through this branch. We also confirm that the original CNIC/Passport has been seen by us.

Bank's Authorized Signatory
Bank's Rubber Stamp

SPECIMEN SIGNATURE(S) OF THE APPLICANT

NAME OF THE APPLICANT IN BLOCK LETTERS (AS PER CNIC)	SPECIMEN SIGNATURE(S)
a)	
b)	

Bankers to the issue's Probationary acknowledgement of application for shares of BF Biosciences Limited

Received from Mr/Ms/Ms _____ application for _____ Shares.

Name of Bank _____ Branch Code _____ Application Serial No. _____ Date of Receipt _____

Signature of Authorized Representative & Rubber Stamp of Receiving Bank

IMPORTANT: (i) This slip must be retained by the Applicant (ii) Please read instructions provided with this application

